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Folder Title:
Fundraiser for Frank Murkowski 12/11/91 [OA 8331]

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 12/9/91 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, 12/9/91 4:00pm

PRESIDENTIAL REMARKS: SENATOR MURKOWSKI FUNDRAISER

SUBJECT: WEDNESDAY, DECEMBER 11, 1991 - THE WILLARD

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DELAND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 4:00 p.m., TODAY, MONDAY, DECEMBER 9, with a copy to this office. Thank you.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

21 DEC 6 10:46
Grant / Aarhus
A:Alaska Draft two
December 6, 1991

BRIEF REMARKS: SENATOR MURKOWSKI FUNDRAISER
THE WILLARD HOTEL
WEDNESDAY, DECEMBER 11, 1991
TIME?

First of all, I'd like to say good morning to our supporters joining us through the miracle of television in Anchorage, with Senator Ted Stevens and in Fairbanks, with Mr. Richard Wien. And good afternoon to our friends here in Washington -- I understand that many of you have traveled from all corners of America, from New York and California, and of course, Alaska, in order to join us. To anyone here I've missed, greetings. Your support means a great deal to Frank. ((He's touched, and, well ... I'm sure you've been, too.))

I'm here today to salute one of the key members of our team on Capitol Hill, a public servant dedicated to the people of Alaska, and a leader constantly seeking to build a better America -- Senator Frank Murkowski. ///

I need Frank in the Senate, and I need more people in Congress like Frank ... men and women who believe in growth and opportunity for all Americans ... elected leaders who are committed to excellence at home and competitiveness abroad. Yes, I need more Republicans in Congress -- and we need to keep the good ones there we've already got. //

I hear that Frank just returned this week from Taiwan, Japan and Korea. As Vice Chairman of the Senate Intelligence Committee and as Ranking Member on the East Asian ^{& Pacific Affairs Foreign Relations} Subcommittee, Frank understands better than most that we are a Pacific nation --

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Alaska is a Pacific state. He understands that the future will be built upon engagement -- economic as well as political -- with our Pacific allies.

Last weekend, I traveled to Pearl Harbor to commemorate that "Day of Infamy" in 1941. Sadly, Pearl Harbor was a tragedy brought about by the folly of isolationism. Today's neo-isolationism and its economic accomplice -- protectionism -- are just as dangerous now as they were fifty years ago.

The fact is, this country has enjoyed its most lasting growth and security when we rejected isolationism -- both political and economic -- in favor of engagement and leadership. We are a Pacific nation. And next month in Asia, I'll discuss with our Pacific friends and allies their responsibility to share with us the challenges and burdens of leadership in the post-Cold War world.

In today's world, American lives and American jobs, our prosperity and our security, depend upon our ability to compete and to lead. That's why I'm looking forward to our trip to Asia in January --to help open new markets for American products and create new opportunities for American workers.

We feel the benefits of foreign trade right here at home -- and particularly in Alaska. I know Alaska exports timber, fish and coal. Well, listen to this: last year alone, total gross exports accounted for virtually all of this nation's economic growth. So with a sluggish economy, we should be doing all we can to expand our markets overseas.

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Speaking of our economy, it's no secret that some people are having a tough go of it. I hear that message in letters, and in conversations in communities I visit. While Congress is home for the holidays, they'll probably be hearing that message, too. I hope they listen closely. Because when I give the State of the Union Address before Congress in January, I'll ask them to put politics aside and take some important steps to create growth and opportunity. I intend to propose a new economic growth package to get this economy moving again.

Among the most important elements of what we've tried to get acted upon these last three years is our plan to boost American competitiveness -- through initiatives like our America 2000 strategy for excellence in education; our job-creating Transportation Strategy to efficiently move goods and services between markets; our civil justice reform plan to keep employers in the factories and out of the courtroom; and our National Energy Strategy to cut our dependence on foreign oil.

Let me say a word about our Energy Strategy. Frank and I remain committed to environmentally responsible access to ANWR. ((You know, the critics said years ago that the caribou would be extinct because of the pipeline. Well, now there's so many caribou they're rubbing up against the pipeline. // Next thing you know, we'll see caribou wearing Murkowski buttons.))

Let me close with this: I'm determined to get this economy moving again. We've got to make the American Dream come alive

4

for all Americans. We've got to keep Frank Murkowski in the Senate. With your help, we will.

Frank, keep up the good work. God bless each and every one of you -- and thank you very much.

#

[SENATOR MURKOWSKI WILL SAY A FEW WORDS, THEN A BIRTHDAY CELEBRATION FOR HIS WIFE WILL FOLLOW]

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

December 11, 1991

REMARKS BY THE PRESIDENT
AT FUNDRAISER FOR SENATOR MURKOWSKI

The Willard Hotel
Washington, D.C.

12:32 P.M. EST

THE PRESIDENT: Frank, thank you. And good luck. (Applause.) Thank you for that very nice welcome. To you all assembled, my thanks to you. And, Nancy, Barbara and I send our very best wishes, not just for the holiday season, but for what's over the horizon for you and that wonderful family. And let me just say good morning -- early morning, or breakfasttime, to our supporters joining us through the magic of television -- all Frank's friends up there in Anchorage, with Senator Ted Stevens, our great leader up there who is doing a wonderful job, side by side with Frank in Fairbanks; Mr. Richard Wien, who I understand is connected to this, and so I salute you, sir, and all assembled. And thank you for your work on this.

And good afternoon, of course, to our friends here in Washington. I'm told that Ed Derwinski was to be here. I saw Senator Strom Thurmond; Kit Bond is to be here -- Senator from Missouri; Larry Craig, another great Senator; and, of course, standing at my left, and chairman of this event, the indefatigable and wonderful Lod Cook, to whom we are all very, very grateful. (Applause.)

I had a chance to greet some of you all, and I know that many of you have traveled from all corners of America -- New York and California, well represented; and of course, Alaska, just to be here. And to anyone here that I've missed, warm greetings to you. Let me salute the marvelous music we had earlier on, and I just wish you all the greatest for Christmas.

May I say to all of you that your support means an awful lot. It means a great deal to Frank. He's touched, and I'm sure you've been touched, too. (Laughter.) But it is very important that this man be reelected. And I'm here today saluting what I think is one of our essential key members of the team up there on Capitol Hill. He is a public servant -- and Lod put it well -- dedicated to the people of his state. He never forgot how he got sent here to Washinton, D.C., and he is a leader that is constantly looking forward, helping us try to find ways to build a better America. So the people of Alaska are fortunate, and the people of this country are fortunate to have Senator Frank Murkowski in the United States Senate, and please keep him there. (Applause.)

We need him. We need him in the Senate, and we need more people in Congress like Frank -- men and women who believe in growth and opportunity for all Americans, elected leaders who are committed to excellence at home and then are fighting for this competitiveness abroad. And I need more Republicans in Congress -- and we need to keep the good ones there that we've already got.

He just came back, as he mentioned in his opening remarks, from Taiwan, Korea, Japan -- where he did reach agreement to end this drift net fishing. Took a leadership role there, took on what was considered an extraordinarily tough problem and of enormous help in getting it resolved.

MORE

As Vice Chairman of the Senate Intelligence Committee, and as Ranking Member of the East Asian and Pacific Foreign Relations Subcommittee, he understands -- he understands far better than most that we are a Pacific nation -- Alaska is a Pacific state. We have all these other events unfolding all around the world -- in Eastern Europe, in the Middle East, in South America -- all of them positive, I might add. But we must never forget that we are a Pacific power. Our largest trading partners, in total, are in the Pacific area, the Pacific Rim.

Last week -- and it was emotional -- I went out to Pearl Harbor to commemorate that "Day of Infamy" in 1941. And sadly, Pearl Harbor was a tragedy brought about by the folly of isolationism. Today's neo-isolationism and then its economic accomplice -- protectionism -- are just as dangerous today as they were some 50 years ago.

The fact is, this country has enjoyed its most lasting growth and economic opportunity -- and security, I might add -- when we rejected isolationism -- both political and economic -- in favor of engagement and leadership. We are, then, a Pacific nation. Next month in Asia -- and I'm looking forward to this -- I'll discuss with some of our Pacific friends and allies their responsibility to share with us the challenges and burden of leadership in the post-Cold War world.

In today's world, American lives and American jobs, our prosperity, our security, depend upon our ability to compete and to lead. That's why I am looking forward to this trip, and we are determined to go there, do what Frank has been doing as your Alaskan Senator -- to help open up new markets for American products and create new opportunities for American workers. The answer isn't to turn inward, it's to extend our opportunities outward.

We feel the benefits of foreign trade here at home -- particularly in Alaska -- with its exports of timber and fish and coal. It is important to acknowledge that last year alone, the total gross exports accounted for virtually all of the economic growth in the country. So with a sluggish economy, we will continue to do all we can to reach out and expand our overseas markets.

Speaking of our economy, certainly we all know that some people are having a rough go of it, a tough time. I see that message in letters, and I hear it in conversations in the communities I visit. While Congress is home for the holidays, they'll be hearing that same message. And I hope they listen closely. Because when I give the State of the Union Address before Congress in January, I will ask them to put politics aside and come together and take some very important steps for growth and opportunity. I intend to propose a new -- we've sent up three different economic growth packages in the last three years -- but I intend now to propose a new economic growth package to get this economy moving.

Among the most -- I believe Congress will act. I know leaders like Frank Murkowski will be at my side on this -- but I believe Congress will act. I think the American people want us to get the job done. They don't care who gets credit. They're tired of the bickering. Let's get on with it.

Among the most important elements of what we've tried to get acted upon these last three years is our plan to boost American competitiveness -- through initiatives like our America 2000 Initiative for excellence in education. It's a wonderful program to revolutionize our schools. Our job-creating Transportation Strategy to efficiently move goods and services between markets -- and I'm looking forward to signing that bill. Our Civil Justice Reform plan to keep employers in the factories and out of the courtrooms; and our National Energy Strategy to cut our dependence on foreign oil.
(Applause.)

Let me say a word about this, about our Energy Strategy, and say this: that Frank is committed -- and let me just assure you I remain committed -- to environmentally responsible access to ANWR. It is absolutely essential.

You know, the critics said years ago when the debate was on, on the pipeline up there, the Alaska pipeline, that caribou would be extinct because of this. (Laughter.) Well, there's so many caribou they're rubbing up against the pipeline, they're breeding like mad. They're having a great time. And it is a sound environment up there. (Applause.) So don't listen to the arguments from the same people that gave us the same arguments before and were proved wrong. Listen to the President who says we -- our national security, our own national interest depends upon our having an energy program that makes us less dependent on foreign oil. And I'm never going to change my view on that. (Applause.) If Caribou could vote, Murkowski would be in by a landslide. (Laughter.)

Let me just close this way: I am determined to get this economy moving again. We've got to make the American Dream come alive for all Americans. And we've got to keep this good American, this fine servant of Alaska and our country in the United States Senate. And with your help, I am absolutely confident that that will be done.

Frank, keep up the good work. Take a little time off for Christmas and possibly New Year. And to all in Alaska who are plugged in, my greetings to you, and may you have a wonderful holiday season. And God bless the United States of America. Thank you very, very much. (Applause.)

END

12:42 P.M. EST

MORE

91 NOV 5 P6:11



Office of Senator Frank H. Murkowski
Fax Transmission

TO: CAROL AARHUS

FROM: GREGG RENKES

NUMBER OF PAGES (Including Cover Sheet): 2

MESSAGE: FISH INFO.

MEMORANDUM

To: **Gregg**
From: **Bill**

December 6, 1991

Re: Alaska seafood exports to Asia in 1990

Exports direct from Alaska:	\$1.34 Billion
exports thru Seattle:	.26 Billion
TOTAL Alaska exports:	\$1.6 Billion

Total U.S. exports \$ 2.8 billion
Alaska % of total U.S. exports = 61%

Acknowledgements

Shreni Thimrand

Sec. Derrnisk

Sen & Mrs. (Nancy)
Mark.

Kit Bond

Lod Cook
(Wrick)



CEO of Area

friend of Peter

Mark Campaign

Asst. Manager



Office of Senator Frank H. Murkowski
Fax Transmission

TO: Carol Corbus

FROM: Gregg Rentes ~~4-6-91~~

NUMBER OF PAGES (Including Cover Sheet): 3

MESSAGE: _____

To: Carol Aarhus
From: Gregg Renkes

Re: Suggested Remarks for December 11, 1991 Tribute to Senator
Murkowski at the Willard Hotel

The President will be introduced.

The President:

0 Welcome:

- 0 Acknowledge people joining through live television hookup in Anchorage and in Fairbanks. Recognize Senator Ted Stevens who is hosting breakfast gathering in Anchorage and Mr. Richard Wien who is hosting breakfast gathering in Fairbanks.
- 0 Acknowledge people who have traveled from all corners of the United States, New York, California, and Alaska, to be in Washington for this event.
- 0 Thank Senator Murkowski for steady and strong support for the President's domestic and foreign policy objectives.
- 0 Recognize the value of Senator Murkowski's hard work in guiding the Gates nomination through the Senate.
- 0 Mention that as Vice Chairman of the Senate Intelligence Committee and ranking member of the East Asian and Pacific Affairs Foreign Relations Subcommittee Senator Murkowski's foreign policy expertise is a great asset to the country, the Senate, and Alaska. Particularly important is Senator Murkowski's deep understanding of the far east and the relationships he has developed there over the past 25 years. Senator Murkowski will have just returned from visits to Taiwan, Japan and Korea on Dec.9. where he promoted Alaska and U.S. interests in the Pacific Rim -- like the cessation of drift net fishing on the high seas ("curtains of death").

0 Mention that the President and Senator Murkowski are working together on many important domestic policy issues like:

-- a national energy strategy which includes a balance of conservation and production including development of the remote Alaska arctic coastal plain (the best prospect for a major oil discovery in North America);

-- a national wetlands conservation policy that halts the destruction of valuable wildlife habitat but is sensitive to the unique circumstances found in Alaska;

-- a new Environmental Protection Agency Region for Alaska to insure that as Alaska grows and develops the environment is protected by regulators who will work with and understand the needs of Alaskans; and

-- the creation of a joint federal-state commission to look into ways to improve conditions for Alaska Native people (Senator Murkowski authored this legislation and the President recently completed appointments of the commission members).

0 Mention importance of having Senator Murkowski back in Washington for his third term in the U.S. Senate - can not afford to lose his valuable contributions to the republican leadership in Washington and his seniority in the Senate.

0 Christmas wishes.

Senator Murkowski:

0 Will thank the President and guests.

0 Will make some general remarks about the work he is doing and his re-election.

0 Will recognize that December 11 is not only special because of the event but because it is also his wife's (Nancy Murkowski) birthday.

(will close event by bringing out birthday cake for Nancy Murkowski)



Office of Senator Frank H. Murkowski
Fax Transmission

TO: CAROL AARNUS

FROM: GREGG RENNES

NUMBER OF PAGES (Including Cover Sheet): _____

MESSAGE: SIGNIFICANT DEVELOPMENTS

DURING SENATOR MURKOWSKI'S ASIA TRIP.

CONCERNING DRIFT NET ISSUE. THOUGHT

THIS MIGHT PROVIDE HELPFUL BACKGROUND.

Gregg

NEWS



U.S. SENATOR

**FRANK
MURKOWSKI**
OF ALASKA**FOR IMMEDIATE RELEASE:**

December 3, 1991

CONTACT:Chuck Kleeschulte, Hotel Okura
Tokyo, Japan (03) 582-0111 or
Mike Heatwole 202/224-3924**TAIWAN AGREES TO CLOSE OUT HIGH SEAS DRIFTNETTING THIS SUMMER**

TAIPEI, Taiwan -- Alaska Senator Frank Murkowski said Taiwan, the first nation to agree to halt high seas drift net fishing, is sticking by its commitment to halt such fishing at the end of June 1992 unless an international agreement is reached calling for a six-month delay in the prohibition.

The promise was conveyed to Murkowski by Taiwan Foreign Minister Fredrick F. Chien during meetings here Monday. Taiwan last year was the first country to stop high seas drift netting. Japan last week agreed to follow suit, but only at the close of the 1992 fishing season next December.

"Taiwan must be recognized for its courageous stance in taking the lead in efforts to halt driftnetting. The prestige of Taiwan has been raised in the eyes of all the other countries in the world. It was a difficult decision made in the interest of world wide conservation. Alaskans applaud Taiwan for its action," said Murkowski to Foreign Minister Chien.

Taiwan was the first country to agree to buy out the ships of its high seas driftnet fleet in order to stop the fishery from using 30-mile-long nets that intercept Alaska salmon, marine birds and mammals while fishing for squid. Murkowski was an early leader in the U.S. Senate by introducing legislation imposing potential trade sanctions against nations who didn't stop their driftnet practices.

- more -

2-2-2-2

Taiwan driftnetting

President Lee Teng-hui Monday, during a 90-minute meeting with Murkowski, noted that it was the senator's efforts that started the worldwide process that appears likely to succeed in banning the nets, often called "curtains of death."

Murkowski praised Taiwan for sticking to its original commitment to halt the drift netting on June 30, 1992, even though Japan has proposed a revised United Nations resolution that would delay the date for phasing out of fishing until Dec. 31, 1992 -- effectively giving Japanese fishermen another full season of squid catches.

"Taiwan deserves the world's thanks for its statesmanlike approach to the driftnet issue. We in Alaska understand the difficulties the phase out will mean, the costs involved -- the nearly \$400 million that Taiwan will have to spend to buy out the drift net fleet.

"We also know first hand the terrible effects that drift netting can have on the world's fishery resources. It is just great news that this practice is about to end," said Murkowski.

Taiwan's Chairman of the Council of Agriculture Yu-hsien Yu Tuesday morning said the phase-out would cost Taiwan about \$400 million. Yu told Murkowski that Taiwan will be under considerable pressure from its fishermen to delay the start of the drift net prohibition should the United Nations agree to the Japanese delay in the effective date of the 1989 resolution.

Murkowski said he understands the pressure that Taiwan will face, but hopes the country will hold firm on ending the practice next summer.

He said he will encourage both the Japanese and South Koreans to follow Taiwan's lead and halt drift net fishing next summer. Murkowski will hold talks on fisheries with Japanese officials in Tokyo on Wednesday and will discuss fishery issues in Korea later in the week.

NEWS



U.S. SENATOR

**FRANK
MURKOWSKI**

OF ALASKA

FOR IMMEDIATE RELEASE:
December 5, 1991CONTACT: Chuck Kleeschulte/Mike Heatwole
202/224-9311

MURKOWSKI URGES JAPANESE TO END DRIFTNETTING SOONER

TOKYO, Japan -- Alaska Senator Frank Murkowski late Wednesday urged Japanese Fisheries officials to follow Taiwan's lead and end high seas drift net fishing this summer, rather than continue using the long nets for a full year.

Murkowski, during his visit to Asia, also urged the Japanese to help America enforce fishing violations in the so-called Doughnut Hole in the Bering Sea. He also asked the Japanese to make sure that they destroy their drift nets when such fishing stops, so they can't be sold to other nations that might not follow a pending United Nation's resolution calling for a ban on the use of drift nets.

Japan last week agreed finally to end high seas drift net fishing by December 31, 1991, and to cut its activity in half by June 30. Earlier, however, Taiwan had been the first country with a drift net fleet to agree to honor a 1989 U.N. resolution that called for fishing to stop entirely by June 30.

"I know how difficult the decision was for Japan to halt drift net fishing and I applaud your forthright stance. It clearly was the right decision," said Murkowski. "Drift nets have the ability to take every fish, while also snaring countless salmon, marine mammals and birds. For the benefit of all fishing nations it is great news that drift netting is almost over."

Murkowski, who introduced legislation in the Senate to impose trade sanctions on nations that continued high seas drift netting, said he hoped that Japan would follow Taiwan's lead and halt drift netting in June of next year. He said he will try to persuade South Korea to follow Taiwan's lead during talks in Seoul this weekend.

Murkowski, during his meeting with Fisheries Agency of Japan Director General S. Tsuruoka, asked the Japanese to join with the

United States to beef up enforcement in the Bering Sea Doughnut Hole. "I hope you will join with us to conserve the resource in the Bering Sea since no country wants their fishermen to be disadvantaged either by overfishing or by pirates that continue to take fish illegally," said the Republican senator half way through his trade mission to Asia.

Murkowski also urged the Japanese to make sure that no former drift net boats or nets fall into the hands of countries that would use them in violation of the U.N. ban.

NEWS



U.S. SENATOR
**FRANK
MURKOWSKI**
OF ALASKA

*For Immediate Release
December 6, 1991*

*Contact: Chuck Kleeschulte
(202) 224-6665*

Korea To Honor U.N. Ban on Driftnetting

SEOUL, R.O.K. -- Korean government officials today for the first time officially signaled their intention of abiding by a United Nations ban on high-seas driftnetting, which is expected to pass the U.N. Second Committee (which deals with environmental issues) by consensus later today.

Senator Frank Murkowski (R-Alaska) met Friday with the Minister of Foreign Affairs for the Republic of Korea, Lee Sang-Ock, in Seoul. Murkowski said the Minister has instructed the R.O.K. ambassador to the United Nations not to block passage of the resolution through the Second Committee.

"Minister Lee assured me his government will not block it," said Murkowski. "He said that although Korea cannot support the resolution, it recognizes the reality that it will pass the Second Committee by consensus, and that approval by the full General Assembly is a foregone conclusion."

"Lee told me, 'We know we will have to comply.' That's a direct quote," said Murkowski. "Korea's decision means the curtain of death on the high seas is now closing for good."

The resolution now before the U.N. is a largely the result of a compromise worked out between U.S. and Japanese officials after Japan opposed a U.S. sponsored resolution to end all driftnetting after July of next year. The compromise will allow Japan to fish through December, 1992, but commits it to cut its fishing effort in half by July.

Thursday, according to news reports from Seoul, Korean National Fisheries Administration officials held an emergency meeting with representatives of the Korean deep sea fishing industry. That meeting

(more)

Korea To Honor U.N. Ban on Driftnetting**December 6, 1991
Page 2**

reportedly included a frank discussion of what measures the government could take to ease the economic hardship that ending the driftnet fishery will place on Korea's fishing community.

Korea is the last stop of a three-country trade mission for Murkowski, who earlier met with officials in Taiwan and Japan, and represented the Senate Foreign Relations Committee at a Tokyo conference on U.S.-Japan relations. Taiwan, Japan and Korea are the three major driftnetting nations in the Pacific, and one of Murkowski's stated purposes in visiting Korea was to press the government to agree to stop driftnetting, because in all previous discussions with the U.S., Korea had declined to say what it would do.

Taiwan agreed last fall to stop in accordance with a previous U.N. resolution, and Japan's opposition ended with the compromise on a new resolution.

Murkowski is to meet Saturday with the Director of the National Fisheries Administration, Yoon Ock-Young. "I expect to get further details at that time," he said. "Rapidly eliminating several hundred vessels will have a major ripple effect, and will be a very complex process for the Korean government. It was a difficult decision for them, but it was the only right decision."

↓ Alaska Exports

timber

fish (90% of state's fishery products
are exported)

Coal - to S. Korea ↓ Asia

prospect to export (via gas line)
natural gas



Valdez - liquified
sent to Pacific Rim

\$11 bil. project
Watkins supports this!

THE WHITE HOUSE
WASHINGTON

~~John Mark~~
~~Mark~~

Greg or Karen

224-6665

Murkowski's office

Willard Lunch here
bfast in Alaska

Satellite feed to Alaska

5-7 minutes

Standard fund for

Mrs. Murkowski's bday
↓
(Nanay)

③ Drift fishing (certain of death)

Must on trip get report from Taiwan that they would follow the lead of the Japanese. Hopefully Korea will follow.

~~Wanted~~

NBS
Murkowski wants to reint next session

① ANWR
② Wetlands policy

Murkowski / Sumnu team

ALASKA

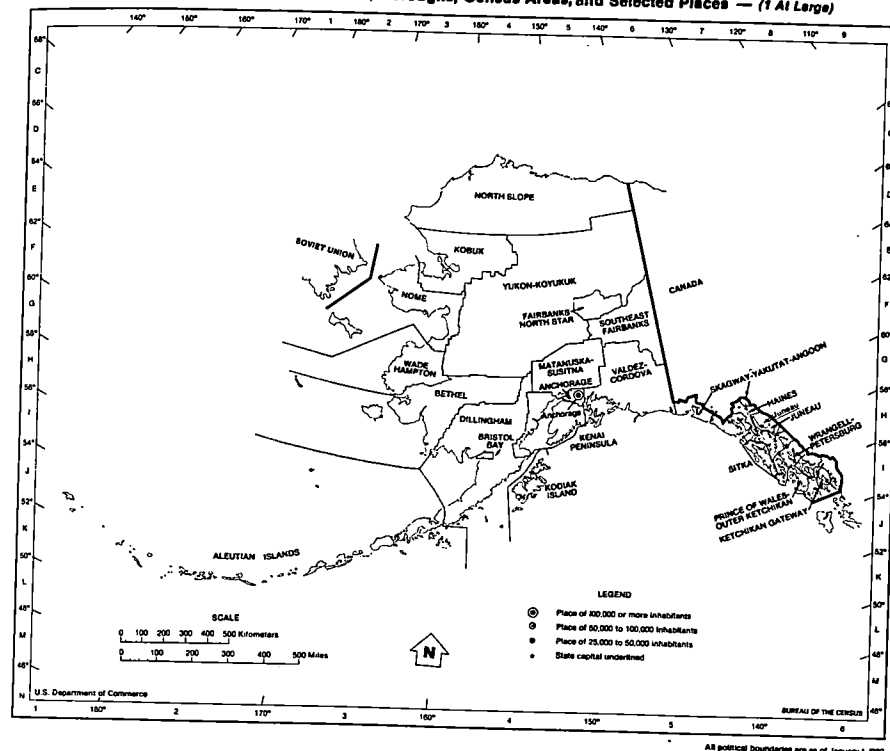
Half a million of the 245 million Americans living in a gigantic land mass larger than all the Northeastern and Great Lakes states put together, half of them in one metropolitan area, the others scattered in a few small towns and Native settlements over an area so vast that if superimposed on the Lower 48 it would stretch from Florida to Los Angeles to Lake Superior: this is Alaska. Half a century ago it was even emptier, a lonely military outpost in the Northern Pacific, with only 72,000 people sustained by small fishing and lumber industries. Alaska has a boundary on the Soviet Union (in June 1988 Alaskans flew in a 737 jet from Anchorage and Nome to Provideniya and had a pleasant visit with their Siberian neighbors, to whom they are closer geographically and, for Natives, ethnically and culturally than they are with the Lower 48). Alaska is closer to Tokyo than to most of the population centers of the United States and was militarily vulnerable in World War II, and the Japanese held Attu and Kiska in the Aleutians (Congress voted in 1988 to compensate Aleuts who were moved off some of the other islands during the war.)

To defend Alaska in World War II the U.S. Government did more for the territory in four years than it had done since it was purchased from Russia in 1867. The military built the gravel Alcan Highway through Canada so trucks could reach the territory, and they built Alaska's first decent paved roads, an Army fort, and an air base near Anchorage; revived the Alaska Railroad, built by the government in the 1920s to connect the port of Anchorage with Fairbanks in the interior. The military sent in 150,000 servicemen, momentarily tripling Alaska's population. Alaska's population fell back to 99,000 after the war, but as the Cold War intensified the military moved back in, and by 1950 there were 128,000 Americans in Alaska—a handful, by Lower 48 standards, but enough to give life to the demand for statehood that began during the war and was granted finally in 1959.

Three decades later Alaska remains an improbable state—a gigantic land mass at the northern edge of the Pacific Rim, straddling the Arctic Circle, with the tallest mountains in North America and thousands of miles of rugged seacoast. It makes headlines when an Exxon tanker went of the rocks near Valdez early in 1989 and a huge oil spill fouled Prince William Sound. It is on the main airline routes from the United States and even Europe to Japan; Alaskans hope the Anchorage airport will become a world crossroads—but only 7% of Americans have ever been in the state, and most flights are made by small planes that land on unmarked airstrips you can't find on the map or skitter to a stop on one of Alaska's thousands of lakes and inlets. Alaska is also a land where darkness at noon and windchill factors of 60 below zero make daily life in winter a struggle, producing shocking levels of alcoholism and suicide (much higher than reported, as the *Anchorage News* documented). For all the state's economic development and slapdash new construction, nature remains close by: moose nibble shrubbery in suburban Anchorage backyards, and caribou (as George Bush noted in 1988) now breed in record numbers near the Trans-Alaska oil pipeline. But the lone trapper or miner have not been the typical Alaskans since the 1950s; they are young family people in an Anchorage subdivision, or men looking to get ahead (Alaska is still a frontier state in which men still outnumber women) while living in an apartment or trailer park. Alaska is a young state, with a high birth rate and lots of small children; it has a lower proportion of residents over 65 than any other state. However much people may love Alaska, after a while life here is just too rough, and they tend to move back south.

Alaska continues to be frustrated because so many major decisions about its future are made

ALASKA — Congressional District, Boroughs, Census Area, and Selected Places — (1 At Large)



elsewhere. After statehood, it was able to regulate the Seattle salmon fishing companies, but the timber industry was subsidized and run by the U.S. Forest Service and Congress. Oil, discovered in commercial quantities near Anchorage in 1957 and in gigantic amounts in the vast, remote North Slope in 1968, seemed to promise independence. But first Congress had to settle the land ownership questions left open at statehood, which it did in 1971 by passing the Alaska Native Claims Act. The Act set up 12 regional and 220 village Native corporations, gave them \$962 million and time to select their own 44 million acres, and ended the Interior Department's freeze that enabled the state to stake claims to mineral-rich acreage.

Alaska also had to get Congress's permission to get the oil out. The only feasible means, a pipeline, was opposed by environmentalists for fear it would destroy the permafrost (land that remains frozen year round except for a few inches at the top) and interfere with caribou migrations. Development-minded Alaskans got a pipeline bill through in 1973, by just a one-vote margin in the Senate, but had to make concessions. The pipeline was built on stilts and passageways left for the caribou, and the North Slope oil couldn't be exported to Japan or the other obvious East Asian markets for Alaska. Finally, the pipeline opened in 1977. Then Congress got to decide which Alaska lands should be set aside as wilderness or otherwise protected from development. Environmentalists from the Lower 48 rallied around the issue, and lobbied the Congress brilliantly; Congress passed, over the objections of Alaska's two senators

and in the face of tears from its congressman, the Alaska Lands Act of 1980, which protected 159 million acres.

An argument could be made that things worked out better with outsiders making the decisions. The pipeline came on line just as oil prices were approaching their peak, thus generating maximum revenues to the state which gets 90% of the royalties; the environment was protected more than the oil companies would have done on their own, and at bearable cost; the Natives were left with more autonomy than the non-Native majority of Alaskans would have given them. Meanwhile, the decisions made by Alaskans themselves have not been stellar. The state quickly abolished its sales and income taxes, as oil was providing 85% of its revenue, and voted lavish benefits for its mostly affluent citizens (the cost-of-living differential from the Lower 48 is much less than it used to be and incomes are nearly 50% higher): the oil industry employed one out of ten employed Alaskans; it subsidized mortgage interest so rates were 3% below the market; it made low-interest loans to Alaskan college and graduate students, forgiving half the debt if they return to Alaska for five years; it subsidized housing for old people who have been in Alaska 25 years. In 1974 and 1976 Alaskans voted to move the state capital from tiny, isolated Juneau to a site near Anchorage; but in 1982 they voted not to provide the money for the move, producing a local boom in Juneau, still the capital.

Governor Jay Hammond, a bush pilot elected by narrow margins in 1974 and 1978, trying to make sure that all the money wasn't spent right away, set up a Permanent Fund for most of the oil money (it totalled \$8.5 billion by 1988) and insisted that only the interest could be disbursed and only in the form of checks to each Alaska citizen. So in 1988 each Alaskan got a check for \$806—and each voter has a stake in preventing legislators from dipping into the Permanent Fund and lowering the state's long-term wealth to meet short-term needs. The need for restraint is apparent from some of the profligate building projects of local and state government. But Governor Steve Cowper, a Democrat elected in 1986, had a point when he argued that the state should establish an endowment for public education rather than just send out checks to citizens—or that if it must send out checks it should impose an income tax to meet public needs. But these arguments evoked no favorable response.

For Alaskans like to think of themselves as free spirits, adventurers and risk-takers, developers of a new country. Their bias is *boomer* rather than *greenie*—Alaskan for *development-minded* and *environmentalist*. Democrats as well as Republicans, union leaders and real estate developers, libertarians as well as advocates of more federal projects here—all favor development and most feel the more untrammelled the better. Zoning is a dirty word, and even Anchorage, which contains 40% of Alaska's people, is a hodgepodge, with businesses and apartments next to single-family houses and trash left outside during the long freezing winter.

Yet Alaskans are not as free as they like to think. State government revenues depend almost entirely on the world price of North Slope oil, which crashed from \$36 per barrel in the early 1980s to \$13.50 in 1988. Its timber industry depends on federal subsidies and the strength of the dollar versus the yen. Its fishing industry depends on fickle nature. Its transportation infrastructure was built mostly out of military imperative. Its economic future depends heavily on trade with East Asia—and on whether Congress sets up trade barriers.

Alaska now has a multi-billion dollar state government and a local economy with enough tensile strength to show considerable resilience in the face of the collapse of oil prices; the state's population declined from its 1985 peak, but at 537,000 in 1987 it was still far above the 402,000 of 1980 and the 302,000 of pre-pipeline 1970. Congress still is making many of Alaska's decisions, and not always to its satisfaction. The key figure for the state is Senator Ted Stevens, who has more than 20 years seniority and a deep and detailed knowledge of Alaska issues. But against environmentalists, protectionists, and other critics he does not always prevail. He had his achievements in the 100th Congress. One was revision of the law regulating the Native corporations. Some of these unique institutions turned out to be very profitable; others have lost

millions. Stevens got the law amended (and got President Reagan to sign it against Interior and Justice Department opposition) to allow profitmaking companies to purchase the Native corporations' losses and use them to reduce their own taxes: this has pumped hundreds of millions into the Native corporations but may cost the Treasury as much as \$950 million in revenue. Stevens' bill also extended indefinitely the provision, due to expire in 1991, barring Natives from selling their shares in the corporations and otherwise limiting individual shareholders' rights, unless the corporation votes otherwise. These provisions insulate the Natives, few of whom have shown much commercial acumen, from the cold commercial world, in a worthy attempt to enable them to preserve their culture. But by subsidizing the money-losers and locking in their managements, it tends to give up on the hope that these vehicles could enable the Natives to convert their historic rights in Alaska's land into wealth in the advanced American economy. It should be noted that, despite the resentment of many white voters for the Natives' claims, Stevens and Congressman Don Young followed the consensus view of the Native leaders on these matters.

Another issue Alaska must grapple with is getting permission to export. Stevens won a victory on one such issue in the trade bill, when the House put in a provision requiring that any North Slope oil products refined in Alaska above certain low limits had to be shipped to the Lower 48 before they could be exported elsewhere, even to Canada. Stevens and junior Senator Frank Murkowski promised to vote against the trade bill and to uphold a presidential veto of it, forcing the House to recede from what Stevens argued persuasively was utterly unconstitutional. Alaska also would like to have the Japanese build a natural gas pipeline for exports to Japan, which wants an alternative to expensive oil and dirty coal. Alaska would like to export more timber to East Asia. And it would like to open up the coastal plain of the Arctic National Wildlife Reserve, a big caribou grazing ground, to oil exploration. Complex negotiations went on in the Senate to propitiate the environmentalists, cut the Native corporations into the deal, reduce the state's royalties from the 90% promised in the Statehood Act to 50% (because Congress wants the money to hold down the federal deficit).

Heavily Republican in national elections now, Alaska has elected Democratic governors—and strong rivals—in 1982 and 1986. It has copied Washington State's primary system that allows voters to cross party lines within primaries, choosing one from Column A and one from Column B; it even had a Libertarian party which elected legislators and won 12% for president in 1980 and 15% for governor in 1982, though it has done poorly since. The libertarian impulse that led Alaska to be the first state to decriminalize marijuana is being replaced by a Lower 48-like desire to stamp out crime and drugs—or is this just the equivalent of the sissified town folks throwing the saloonkeepers and gamblers out of the Wild West towns? Some regional partisan patterns persist. Greater Anchorage, with nearly half the state's population, is affluent and tends to be Republican. It is not utterly dependent on oil; its port and airport make it the one place in Alaska where services and amenities are generally available. The smaller settlements in a 200-mile arc around Anchorage are places where boomers from the Lower 48 arrived to seek their fortunes—the Matanuska Valley (one of the few places in Alaska where farming is possible), Seward, the Kenai peninsula, the little port of Valdez at the southern terminus of the pipeline—have been growing more rapidly than any part of the state, attracting people who don't like the big city atmosphere and restrictions of Anchorage; all are heavily Republican. The second largest city, Fairbanks, a pipeline and mineral service center deep in the interior, unprotected from the Arctic winds in winter and fierce crowds of mosquitoes in its brief but hot summer, is mostly Republican, but it is also Steve Cowper's home town and base.

The older Alaska and Native Alaska, with far fewer people, are Democratic. The old Alaska, first settled by Russians, can be seen in the fishing towns of the Panhandle and Juneau, located on an inlet of the Pacific up against a steep mountain. Far away to the north and west is the Alaska of the Bush, the villages where Natives—Indians, Aleuts, Eskimos—live, often in

poverty. Natives make up 10% of Alaska's population, and 70% in the vast lands north and west of Anchorage and Fairbanks. But they are only 51,000 people living in an area larger than the northeast United States.

Governor. Steve Cowper looks like a governor you'd expect to find in Alaska. Cowper (pronounced *cooper*) has a southern accent, a solid build, a mustache, and a face that looks lived in: he has been married three times, he was a freelance war correspondent in Vietnam, he was an underwater diver. He was one of the legislators who pushed through the Permanent Fund. He extols entrepreneurs, wants to develop a natural gas pipeline and drill in the Arctic National Wildlife Reserve, but he claims not to be indifferent to the environment either. Alaska has built its economy on federal subsidy and the extraction of fish, wood, and oil; Cowper wants it to process these resources too, and to develop its educational system; "new jobs," he says in David Broder's paraphrase, "must be developed from the state's abundant supply of young, well-educated immigrants tuned to trade possibilities with the Pacific Rim." It is a plausible, even inspiring vision. Alaska does have a talented labor supply, important natural resources, and the stability of the U.S. flag off in a corner of the Pacific and in time zones halfway between Washington and Tokyo. But, as Cowper is aware, it could be frustrated if Democrats in Congress build trade barriers across the Pacific.

Cowper won the governorship after a riproaring race in 1986. He beat incumbent Democrat Bill Sheffield, who had beaten him by 260 votes out of 55,000 cast in 1982. In the Republican primary Arliss Sturgulewski beat former Governor (1967-69) and Interior Secretary (1969-70) Walter Hickel after charging him with conflict of interest because he owned stock in a company seeking to build a natural gas pipeline. Cowper narrowly defeated Sturgulewski, and in early 1989 announced he would not seek a second term as governor. Possible candidates include Democratic Lieutenant Governor Steve McAlpine; former governor, Bill Sheffield; former mayor of Anchorage, Tony Knowles; and Republican Senator Frank Murkowski whose Senate seat is not up until 1992.

Senators. Few senators occupy as central a place in their state's public and economic life as Ted Stevens. "They sent me here," Stevens said in one impassioned debate, "to stand up for the state of Alaska." And Alaska's special dependence on the federal government makes Stevens' position more similar to that of an ambassador than a run-of-the-mill legislator. "We ask for special consideration," Stevens is not too shy to say, "because no one else is that far away, no one else has the problems that we have or the potential that we have, and no one else deals with the federal government day in and day out the way we do." Stevens spends plenty of time on national issues, but much of his time and energy are necessarily consumed in dealing with parochial Alaska issues, with which he has been dealing most of his adult lifetime, from his service in the Eisenhower Administration Interior Department and his representation of Native groups as an Anchorage lawyer in the 1950s. He probably knows the details of Alaska legislation better than anyone else. He has been the senior senator almost since he was appointed in 1968 to fill a vacancy created by the death of Bob Bartlett.

Stevens served as Republican whip for four years under Howard Baker, and was one of four candidates to succeed him; he did better than expected, but finally lost 28-25 to Bob Dole. That left him free to concentrate on Alaska issues and on the Defense Appropriations subcommittee he chaired when Republicans had a majority and on which he is now ranking minority member. Stevens has generally been a supporter of higher defense budgets, but has shown independence in his superintendency of the Pentagon budget, and he has not been unwilling to take on the Armed Services Committee when he disagrees with it. This is difficult subject matter, and he is a diligent worker at it, and his opinions are respected. He has long played a constructive role in civil service issues—seeking decent pay for federal employees (a natural position for a man from a state with many federal workers and a high cost of living) but also some restraints. He chaired the Commerce subcommittee on Merchant Marine, and generally supported the subsidies of the

maritime industry, though he stoutly resists attempts to boost Seattle at Alaska's expense. He closely follows fishing law—important in Alaska where fishing is the second industry after oil. Stevens' colleagues may sigh as he rises, and wait for another irascible tirade to wear itself out; but they also pay attention to what he says and often line up with him. In the not particularly sympathetic 100th Congress, his record of achievement on Alaska issues—the Native corporations, the Arctic National Wildlife Refuge (ANWR), compensating the Aleuts (and Japanese Americans on the West Coast) for being removed from their homes during World War II—was impressive, even as he was performing ably on national issues.

Stevens seems to have rebounded smartly from his defeat in the leadership race. He still complains and sounds peevish too much to suit his colleagues, but his skills are more sharply honed than ever, and few will denigrate his record of recent accomplishments. At home, he has been reelected by wide margins, and he seems unlikely to face any more serious competition in 1990 than he did in 1972, 1978, or 1984.

Alaska's other senator is Frank Murkowski, a banker from Fairbanks who was first elected in 1980, a Republican who has generally followed Stevens' lead on state and other issues, but who in his second term is showing some initiative of his own. He is for development in Alaska and generally against government interference in the economy; on cultural issues he is a bit more liberal, though law enforcement minded on crime and drugs. He chaired the Veterans Committee in 1985 and 1986, but his most important committee assignment is Energy (the old Interior Committee) where he rather than Stevens took the lead for oil exploration in the ANWR. He is also on Foreign Relations, and is ranking member on the East Asian and Pacific Affairs Subcommittee. He was the leader in banning Alaska stops for Japanese plutonium waste, in seeking reciprocity with Japan in bidding for construction contracts, and in seeking regular air service between Alaska and nearby Siberia. In 1986 he received more spirited opposition than expected, from Glenn Olds, president of Alaska Pacific University. Although criticized in Washington for lacking flashy accomplishments, Murkowski seemed popular in Alaska and was reelected easily. Although his Senate seat is not up until 1992, he may consider running for governor in 1990.

Congressman. Representative Don Young also tends to work well with Stevens. First elected in 1973, after his Democratic opponent Nick Begich was killed in a 1972 plane crash, Young is a Republican from the bush. A former teacher in the winter and riverboat captain in the summer, he is a man of directness, fluent in the salty language in which much of Alaska politics is conducted, fervent in his boomerism and emotional in his appeals. Since 1985 he has been ranking Republican on the Interior Committee; he previously held that position on the subcommittee which handled the Alaska Lands Act. These are frustrating assignments for a congressman of Young's views, for Democratic environmentalists have a comfortable majority on the committee, a solid command of the facts, and a considerable ability to conciliate and influence wavering colleagues. Young, in contrast, tends to be angry, bombastic, even tearful—and often self-defeating. On issues he probably represents Alaska's majority views and he has worked hard to open the Arctic National Wildlife Refuge for oil exploration. But his political base has seemed surprisingly weak when he has had significant opposition. In 1978, for example, he won with just 55% of the vote, and in 1984 and 1986, against Pegge Begich, the widow of his predecessor, he won with similarly unimpressive percentages. In 1988, against Peter Gruenstein, a onetime Ralph Nader associate and author of a perceptive 1977 book on Alaska, he won with 62% of the vote.

Presidential politics. In presidential elections Alaska votes Alaska issues, which was not always so: in 1960 and 1968 its vote came eerily close to the national average. After that it voted for development and against the national Democrats: in the year of the Alaska Lands Act it gave only 30% of its votes to Jimmy Carter, and in some places the incumbent President of the United States ran behind Libertarian Ed Clark. But in 1988, it joined the Pacific Rim shift toward the

Democrats. As Steve Cowper noted, Michael Dukakis's free trade views helped him in Alaska, and Dukakis received 36% of the total vote—a distinct uptick from 1984 and 1980.

Alaska has no presidential primary. Its 1988 caucuses in this irreverent state were won by the two reverends who, more than their competitors, could inspire enthusiasts to get out and vote: Pat Robertson and Jesse Jackson.

The People: Est. Pop. 1988: 513,000; Pop. 1980: 401,851, up 27.6% 1980-88 and 32.8% 1970-80; 0.22% of U.S. total, 50th largest. 22% with 1-3 yrs. col., 22% with 4+ yrs. col.; 10.7% below poverty level. Single ancestry: 9% English, 8% German, 4% Irish, 2% Norwegian, French, 1% Swedish, Scottish, Italian, Dutch, Polish. Households (1980): 73% family, 49% with children, 61% married couples; 41.7% housing units rented; median monthly rent: \$338; median house value: \$75,200. Voting age pop. (1980): 271,106; 14% American Indian, 3% Black, 2% Spanish origin, 2% Asian origin. Registered voters (1988): 296,701; 60,633 D (20%), 61,439 R (21%), 174,629 unaffiliated and minor parties (59%).

1988 Share of Federal Tax Burden: \$2,269,000,000; 0.26% of U.S. total, 45th largest.

1988 Share of Federal Expenditures

	Total	Non-Defense	Defense
Total Expend	\$2,664m (0.30%)	\$1,528m (0.23%)	\$1,276m (0.56%)
St/Lcl Grants	593m (0.52%)	590m (0.52%)	2m (2.06%)
Salary/Wages	1,031m (0.77%)	377m (0.56%)	654m (0.56%)
Pymnts to Indiv	450m (0.11%)	392m (0.10%)	58m (0.31%)
Procurement	561m (0.30%)	139m (0.30%)	561m (0.30%)
Research/Other	30m (0.08%)	29m (0.08%)	0m (0.08%)

Political Lineup: Governor, Steve Cowper (D); Lt. Gov., Stephen McAlpine (D); Atty. Gen., Doug Baily (D); Commissioner of Revenue, Hugh Malone (D). State Senate, 20 (12 R and 8 D); State House of Representatives, 40 (24 D, 16 R). Senators, Ted Stevens (R) and Frank H. Murkowski (R). Representative, 1 R at large.

1988 Presidential Vote

Bush (R)	119,251 (60%)
Dukakis (D)	72,584 (36%)
Others	8,281 (4%)

1984 Presidential Vote

Reagan (R)	138,377 (67%)
Mondale (D)	62,007 (30%)

GOVERNOR

Gov. Steve Cowper (D)



Elected 1986, term expires Dec. 1990; b. August 21, 1938, Petersburg, VA; home, Fairbanks; U. of NC, B.A. 1960, LL.B. 1963; Episcopalian; married (Michael Margaret).

Career: Army, Army Reserve 1959-65; AK Asst. Dist. Atty., 1968-69; Vietnam correspondent (freelance), 1970; Practicing atty., 1971-86; Research diver, 1975-76; AK House of Reps., 1975-78; U.S. House of Reps., 1978-80.

Office: Box A, Juneau 99811, 907-465-3500.

Election Results

1986 gen.	Steve Cowper (D)	84,943 (47%)
	Arliss Sturgulewski (R)	76,515 (43%)
	Joe Vogler (AI)	10,013 (6%)
1986 prim.	Steve Cowper (D)	36,233 (57%)
	William Sheffield (D)	26,935 (42%)
1982 gen.	William Sheffield (D)	89,259 (46%)
	Thomas A. Fink (R)	71,949 (37%)
	Richard L. Randolph (L)	28,981 (15%)

SENATORS

Sen. Ted Stevens (R)



Appointed Dec. 24, 1968, elected 1970, seat up 1990; b. Nov. 18, 1923, Indianapolis, IN; home, Girdwood; U. of CA at Los Angeles, A.B. 1947, Harvard U., LL.B. 1950; Episcopalian; married (Catherine).

Career: Air Force, WWII; Practicing atty., 1950-53, 1961-68; U.S. Atty., 1953-56; U.S. Dept. of Interior, Legis. counsel, 1956-58, Asst. to the Secy., 1958-60, Solicitor 1960-61; AK House of Reps., 1964-68.

Offices: 522 HSOB 20510, 202-224-3004. Also Fed. Bldg., Box 4, 101 12th Ave., Fairbanks 99701, 907-456-0261; 222 W. 7th Ave., #2, Anchorage 99513, 907-271-5915; Fed. Bldg., Box 149, Juneau 99802, 907-586-7400; 120 Trading Bay Rd., Kenai 99611, 907-283-5808; and 109 Main St., Ketchikan 99901, 907-225-6880.

Committees: Appropriations (2d of 13 R). Subcommittees: Commerce, Justice, State, and Judiciary; Defense (Ranking Member); Interior; Labor, Health and Human Services, Education; Military Construction. *Commerce, Science, and Transportation* (4th of 9 R). Subcommittees: Aviation; Communications; Merchant Marine; National Ocean Policy Study (Ranking Member); Science, Technology and Space. *Governmental Affairs* (2d of 6 R). Subcommittees: Federal Services, Post Office and Civil Service (Ranking Member); General Services, Federalism and the District of Columbia; Federal Spending, Budget and Accounting; Investigations; Oversight of Government and Management. *Rules and Administration* (Ranking Member). *Joint Committee on the Library. Joint Committee on Printing.*

Group Ratings

	ADA	ACLU	COPE	CFA	LCV	ACU	NTLC	NSI	COC	CEI
1988	25	41	43	50	40	64	51	100	69	50
1987	25	—	43	33	—	65	—	—	67	39

National Journal Ratings

	1988 LIB — 1988 CONS		1987 LIB — 1987 CONS	
Economic	9%	—	81%	34%
Social	48%	—	49%	16%
Foreign	31%	—	66%	25%

Key Votes

1) Cut Aged Housing \$	—	5) Bork Nomination	FOR	9) SDI Funding	FOR
2) Override Hwy Veto	AGN	6) Ban Plastic Guns	FOR	10) Ban Chem Weaps	FOR
3) Kill Plnt Clsng Notice	AGN	7) Deny Abortions	FOR	11) Aid To Contras	FOR
4) Min Wage Increase	AGN	8) Japanese Reparations	FOR	12) Reagan Defense \$	FOR

Election Results

1984 general	Ted Stevens (R)	146,919	(71%)	(\$1,323,218)
	John E. Havelock (D)	58,804	(29%)	(\$90,685)
1984 primary	Ted Stevens (R)	65,522	(100%)	
1978 general	Ted Stevens (R)	92,783	(76%)	(\$346,837)
	Donald W. Hobbs (D)	29,574	(24%)	(\$21,234)

Sen. Frank H. Murkowski (R)



Elected 1980, seat up 1992; b. Mar. 28, 1933, Seattle, WA; home, Fairbanks; U. of Santa Clara, Seattle U., B.A. 1955; Roman Catholic; married (Nancy).

Career: U. S. Coast Guard, 1955-56; Pacific Bank of Seattle, 1957-58; Natl. Bank of AK, 1959-67; Commissioner, AK Dept. Econ. Devel., 1966-70; Pres., AK Natl. Bank of the North, 1971-80.

Offices: 709 HSOB 20510, 202-224-6665. Also Fed. Bldg, 701 C St., Box 1, Anchorage 99513, 907-271-3735; 101 12th Ave., Fairbanks 99701; and Box 1647 Fed. Bldg, Juneau 99802.

Committees: *Energy and Natural Resources* (5th of 9 R). Subcommittees: Energy Regulation and Conservation; Mineral Resources Development and Production (Ranking Member). *Foreign Relations* (6th of 9 R). Subcommittees: International Economic Policy, Trade, Oceans and Environment; East Asian and Pacific

Affairs (Ranking Member); Terrorism, Narcotics and International Communications. *Veterans' Affairs* (Ranking Member). *Select Committee on Indian Affairs* (2d of 3 R). *Select Committee on Intelligence* (3rd of 7 R).

Group Ratings

	ADA	ACLU	COPE	CFA	LCV	ACU	NTLC	NSI	COC	CEI
1988	15	25	24	25	30	79	68	100	85	58
1987	5	—	24	17	—	76	—	—	80	58

National Journal Ratings

	1988 LIB — 1988 CONS		1987 LIB — 1987 CONS	
Economic	19%	—	80%	32%
Social	26%	—	72%	0%
Foreign	23%	—	76%	32%

Key Votes

1) Cut Aged Housing \$	AGN	5) Bork Nomination	FOR	9) SDI Funding	FOR
2) Override Hwy Veto	AGN	6) Ban Plastic Guns	FOR	10) Ban Chem Weaps	FOR
3) Kill Plnt Clsng Notice	FOR	7) Deny Abortions	—	11) Aid To Contras	FOR
4) Min Wage Increase	AGN	8) Japanese Reparations	FOR	12) Reagan Defense \$	FOR

Election Results

1986 general	Frank H. Murkowski (R)	97,674	(54%)	(\$1,389,056)
	Glenn Olds (D)	79,727	(44%)	(\$412,074)
1986 primary	Frank H. Murkowski (R)	91,705	(100%)	
1980 general	Frank H. Murkowski (R)	84,159	(54%)	(\$697,387)
	Clark Gruening (D)	72,007	(46%)	(\$507,445)

REPRESENTATIVE

Rep. Don Young (R)



Elected 1973; b. June 9, 1933, Meridian, CA; home, Fort Yukon; Chico St. Col., B.A. 1958; Episcopalian; married (Lula).

Career: Fort Yukon City Cncl., 1960-64; Mayor, Fort Yukon, 1964-68; AK House of Reps., 1966-70; AK Senate, 1970-73.

Offices: 2331 RHOB, 202-225-5765. Also 222 W. 7th Ave., No. 3, Anchorage 99513, 907-271-5978; 401 Fed. Bldg., Box 1247, Juneau 99802, 907-586-7400; Fed. Bldg., Box 10, 101 12th Ave., Fairbanks 99701, 907-456-0210; and 109 Main St., Ketchikan 99901, 907-225-6880.

Committees: *Interior and Insular Affairs* (Ranking Member of 15 R). Subcommittees: Water, Power and Offshore Energy Resources. *Merchant Marine and Fisheries* (2nd of 17 R). Subcommittees: Coast Guard and Navigation; Fisheries and Wildlife (Ranking Member); Merchant Marine. *Post Office and Civil Service* (4th of 9 R). Subcommittees: Postal Operations and Services; Postal Personnel and Modernization (Ranking Member).

Group Ratings

	ADA	ACLU	COPE	CFA	LCV	ACU	NTLC	NSI	COC	CEI
1988	30	57	44	45	25	63	36	100	69	33
1987	20	—	43	36	—	63	—	—	57	45

National Journal Ratings

	1988 LIB — 1988 CONS		1987 LIB — 1987 CONS	
Economic	43%	—	57%	31%
Social	39%	—	61%	42%
Foreign	0%	—	84%	27%



Office of Senator Frank H. Murkowski
Fax Transmission

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MESSAGE: HERE IS INFORMATION ABOUT

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Anchorage 99503
Phone: 561-5488

Netherlands

Daniel H. Cuddy
Honorary Consul
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Anchorage 99510
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Great Britain

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Honorary Consul
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University of Alaska Anchorage
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Italy

Ferdinand D. Chiel, Jr.
Honorary Consular Agent
P.O. Box 100148
Anchorage 99510
Phone: 349-4911

Sweden

Edward B. Rasmuson,
Honorary Consul
National Bank of Alaska
301 W. Northern Lights Blvd.
Anchorage 99503
Phone: 276-1132

Note — Honorary consular officers are citizens or permanent residents of the receiving state who are appointed to perform functions usually performed by career consular officers.

Source: Office of the Governor, Office of International Trade.

International Trade

Resource Potential

Alaska lies at the center of a trade hemisphere that stretches from Europe to the Orient. Anchorage International Airport, one of the world's busiest, is located almost midway between New York and Seoul, Bonn and Peking, London and Taipei. Alaska's many deep ice-free ports are closer to trade centers of the Northern Pacific Rim than any other ports in North America.

Alaska, with the production of about 2.1 million barrels of oil and 1.2 billion cubic feet of natural gas daily, produces more oil than any other state in the U.S. and supplies about 25 percent of total U.S. oil production. Estimates of Alaska's remaining recoverable reserves range from 5.0 to 11.6 billion barrels of oil and from 28.9 to 35.0 trillion cubic feet of natural gas.

Several world-class mineral deposits exist in Alaska, and there is the potential of other yet undiscovered deposits. The state represents a secure source of critical strategic and nonstrategic metals and coal. Commercial timber potential is estimated at 2.18 billion board feet. Off Alaska's coast, the continental shelf hosts a fishery that accounts for 50% of the total annual U.S. catch, with a potential resource for making Alaska tenth in the world in total fish production, and seventh in production of fish for human consumption.

Source: Office of the Governor, Office of International Trade, Department of Natural Resources, Division of Oil and Gas.

Trade with

Japan is Alaska's export comparison, were not even Republic of (Japan is liquid natural products such 95 percent of

Source: Office

Military

Alaska's although it to tion and devel proximity to America. Today 30 manned ir stations such

Alaska's Wainwright a are the state's Base near Fair

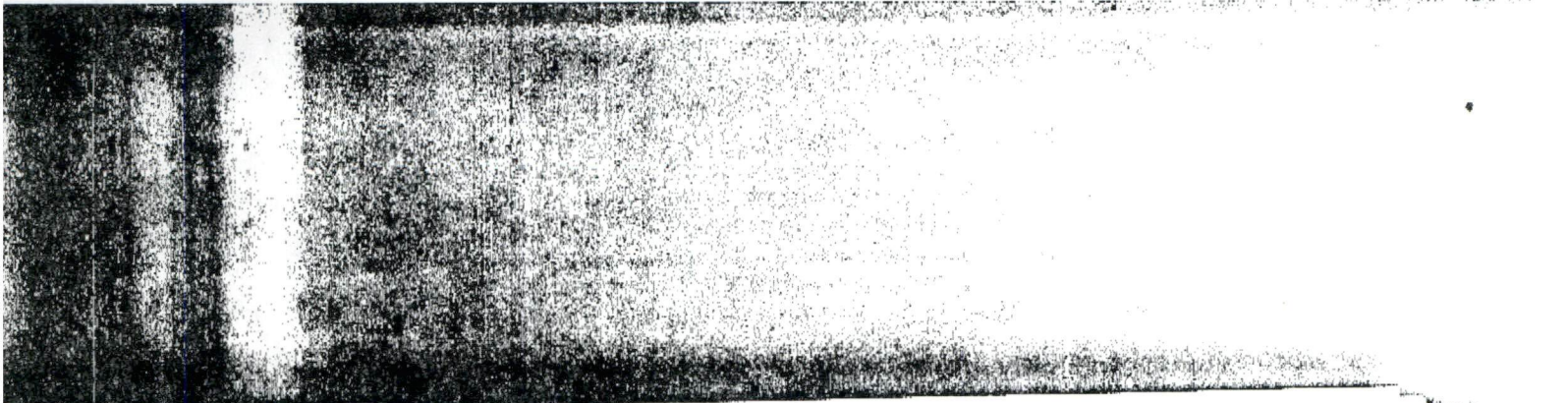
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Trade with Japan

Japan is by far Alaska's leading trade partner, accounting for over 70 percent of Alaska's exports. In 1987, the value of exports to Japan totaled over \$1 billion. By comparison, the next two highest ranking country in Alaska's foreign trade picture were not even close: exports to Korea were valued at \$156 million, and to the People's Republic of China, \$72 million.

Japan is the major consumer of Alaska's seafood, petroleum products (primarily liquid natural gas), and timber. Although Alaska has periodically shipped other products such as urea or ammonia to Japan, these three categories account for over 95 percent of the reported exports.

Source: Office of the Governor, Office of International Trade.

Military in Alaska

Alaska's strategic military value was recognized at the outset of World War II, although it took the Japanese invasion of the Aleutian Islands to spur the construction and development of large scale military installations. The Cold War, and Alaska's proximity to the Soviet Union, made Alaska a key outpost in the defense of North America. Today the Department of Defense and United States Coast Guard maintain 30 manned installations across the state as well as a large number of unmanned stations such as radio relay sites.

Alaska's military population is centered around the state's two largest cities. Fort Wainwright and Fort Greely near Fairbanks and Fort Richardson near Anchorage are the state's major Army bases. The Air Force's major bases are Eilson Air Force Base near Fairbanks and Elmendorf Air Force Base outside of Anchorage.

Alaska is host to the Alaskan Air Command (AAC) with headquarters at Elmendorf Air Force Base. Subordinate to the AAC are the 21st Tactical Fighter Wing at Elmendorf AFB and the 343rd Tactical Fighter Wing at Eilson AFB. Other units include the 5073rd Air Base Group at Shemya, the 5072nd Combat Support Squadron at Galena, the 5071st Combat Support Squadron at King Salmon as well as the Strategic Air Command tanker fleet, an airlift command, and E-3 Airborne Warning and Control System (AWACS) aircraft at Elmendorf. The Air Force also operates 13 long range radar stations located around the state.

The principle Army unit in Alaska is the 6th Infantry Division (Light) and United States Army Garrison at Fort Richardson. Major subordinate units include the 1st Brigade at Fort Richardson, the 2nd Brigade at Fort Wainwright and the Aviation Brigade with helicopters at both forts. Other major units include the Division Artillery, 6th Engineer Battalion and the 106th Military Intelligence Battalion.

Headquarters for the Army National Guard and the Air National Guard are located in Anchorage with principal units in Anchorage, Fairbanks, Kotzebue, Bethel and Juneau.

The 17th Coast Guard District, with headquarters in Juneau, encompasses Alaska's 33,000 miles of coastline. The Coast Guard's major responsibilities include enforcing the 200-mile fisheries conservation zone, search and rescue, and maintenance of navigation aides. The Coast Guard served as the federal on-scene coordinator for the cleanup of the Exxon Valdez oil spill.

The Navy and Marine Corps have commands and detachments in Anchorage and on Adak Island in the Aleutians. The Naval Security Group Activity, Military Sealift Command Office, Naval Reserve Center and a detachment of the 4th Marines Recon

TIMBER TRADE REPORT

Tracking Alaska's Timber Exports

By Judith Fuerst Griffin and Eric Downey

In 1990, the value of the 49th state's timber exports slipped 3 percent, to \$617 million from \$635 million in 1989. The decline is the first since 1985, when Alaska exported only \$226 million in wood products.

The good news is that new sawmills built in 1989 and 1990 have increased exports of value-added lumber products, whose manufacture generates more jobs and spending in

Alaska than do strictly logging operations.

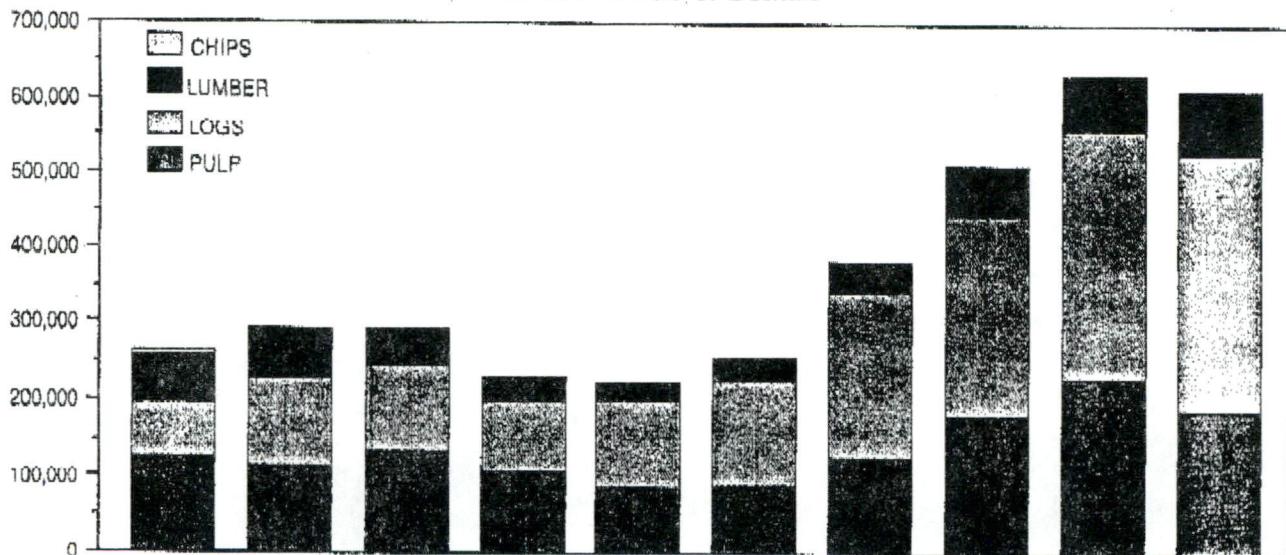
During the past decade, the value of Alaska's wood product exports increased 135 percent. A mid-1980s dip in exports was followed by rising sales in the latter half of the decade that reflected growing worldwide market demand. Further boosting timber sales from Alaska were upgrades at four Alaskan sawmills and construc-

tion of two new sawmills - Chugach Alaska Corp.'s Seward sawmill and Ketchikan Pulp Co.'s sawmill north of Ketchikan.

Lumber and log sales increased largely because of more housing starts in Japan. Home construction, which accounts for at least three-fourths of solid wood consumption, is a driving force in lumber and log markets. Because mortgage rates in Ja-

Value of Alaska Wood Product Exports, 1981-1990

In Thousands of Dollars



Year	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Chips	5,716	5,116	230	769	0	0	11	560	3,620	2,132
Lumber	60,364	58,558	45,105	33,488	24,014	32,908	41,215	66,888	69,879	84,286
Logs	71,700	115,375	111,587	91,844	115,819	137,594	214,001	265,701	329,380	338,810
Pulp	125,435	114,490	135,063	107,139	85,770	89,348	129,636	182,564	232,236	191,720
Total	\$263,215	\$293,539	\$291,985	\$233,240	\$225,603	\$259,850	\$384,863	\$515,713	\$635,115	\$616,948

Source: Data for 1981-1985, U.S. Department of Agriculture, Forest Service; for 1986-1990, U.S. Bureau of Census. Compiled by Alaska Center for International Business

pan were low in the late 1980s, due in part to Japanese government subsidies, the housing industry expanded.

In 1990, sales of lumber products from Alaska increased from \$70 million in 1989 to \$84 million, a 20 percent hike. Japan, the largest consumer of the state's timber exports, has felt the impact of rising construction costs caused by higher labor and land expenses, as well as by a scarcer supply of logs. As a result, the nation has become more willing to buy finished wood products.

Political pressure also has helped persuade the Japanese to buy more lumber. Japan was labeled an unfair trading partner by the U.S. government in its Trade Act of 1988 for its closed-market practices in three areas: forest products, computers and telecommunications. This declaration and subsequent negotiations have pried open market access for U.S. firms.

Alaska lumber producers may not be able to take full advantage of Japanese lumber consumption, however, because of a lack of timber supply for certain Southeast sawmills. Mills in Haines and Klawock were idled recently by lawsuits affecting timber sales on federal lands.

Wood chips, for which international sales fell from almost \$6 million a decade ago to virtually no sales in 1985 and 1986, accounted for \$2 million in Alaska timber exports in 1990. Alaska is a relatively high-cost producer of chips, compared with other U.S. sources.

Logs exported from Alaska generally reflect sales by Native corporations. A worldwide decline in the supply of logs, including timber stands in the Pacific Northwest and Canada, has benefited Alaskans. The value of Alaska's log exports rose slightly in 1990, after leaping 24 percent from 1988 to 1989.

The effect of land set-asides to protect the spotted owl, combined with legislation restricting log exports from state-owned lands, has further shrunk supplies from the Pacific Northwest. In recent years, sawmills in Japan have been willing to pay a higher price for logs than domestic

mills have been able to get for finished lumber. To assist the wood products industry, federal legislation, passed in 1990, allowed states to restrict log exports from state-owned lands. Federal regulations already mandate that timber harvested on federal lands must undergo primary processing - such as cutting the logs into flat-sided products, or cants - prior to export.

Although Alaska has not chosen to restrict log exports on state-owned lands, the log sector of Alaska's timber exports is expected to decline because of the limited supply of logs remaining on Native-owned lands. The corporations created as a result of the 1971 Alaska Native Claims Settlement Act have harvested heavily from their timber resources to take advantage of higher prices in recent years.

Pulp sales from Alaska slipped 17 percent, from \$232 million in 1989 to \$192 million in 1990. Dissolving pulp produced by two Southeast mills, Ketchikan Pulp Corp. and Alaska Pulp Corp. in Sitka, is used primarily in manufacturing rayon and, to a lesser extent, for production of high-grade writing paper. Strong demand for rayon clothing produced export spikes of 24 percent in 1988 and 27 percent in 1989.

Ninety-three percent of Alaska's 1990 timber exports, by value, were shipped to Asia, with 85 percent consumed by Japan alone. Sales of logs to Japan increased slightly last year, while lumber exports rose 16 percent, from \$69 million in 1989 to \$80 million in 1990.

Alaska has some of the last remaining supplies of harvestable old-growth softwoods - timber that fetches a premium price and has qualities the Japanese prefer. Among sought-after characteristics are white wood, scarcity or lack of knots, and tight grain.

Several factors could contribute to a decline in Alaska's timber exports to Japan. Among them are fairly substantial inventories and higher interest rates than in recent years, which likely will slow housing starts. One trend that may temper the reduction of timber imports by Japan are grow-

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TIMBER TRADE REPORT

ing consumer preferences for wood as a building material and for larger homes.

The Soviet Union has become more competitive in world timber markets and could displace sales from other sources, such as Alaska. Determining the role of the Soviet Union in world markets will be the nation's internal politics. Buyers previously have been discouraged by erratic and undependable delivery and by the lack of grading and log sorts.

Korea's imports of Alaska timber in 1990 rose 20 percent, to \$53 million from \$44 million in 1989. In five years, the state's timber sales to Korea have soared 380 percent, up from only \$11 million in 1986.

The Korean market has proven to be very price sensitive. The nation uses lower grade logs than those demanded by the more quality-conscious Japanese buyers. Considered a threat to Alaska's market share in Korea are Chile and New Zealand, which have fast-growing species of trees.

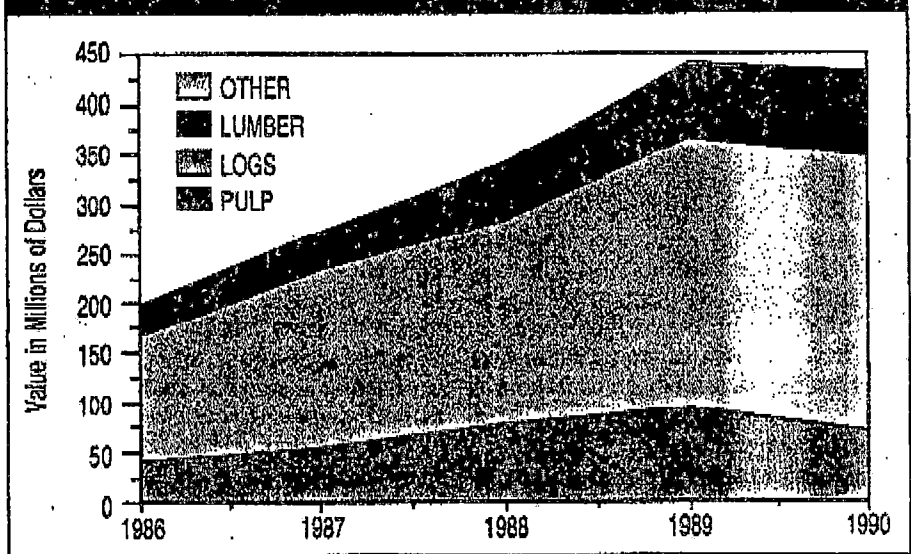
Taiwan's imports from Alaska during the past half-decade increased 150 percent, from \$13 million in 1986 to \$33 million in 1990. But sales last year were down 35 percent from the \$50 million in wood products Alaska exported to Taiwan in 1989. Taiwan's demand for softwoods is expected to rise because of reduced domestic supplies and shortages of Southeast Asian timber.

In 1987, Alaska's timber exports to China leaped 175 percent, to \$25 million from \$9 million in 1986. Since then, sales to that nation have remained fairly constant. The biggest change was a 12 percent decline last year, from \$26 million in 1989 to \$23 million in 1990.

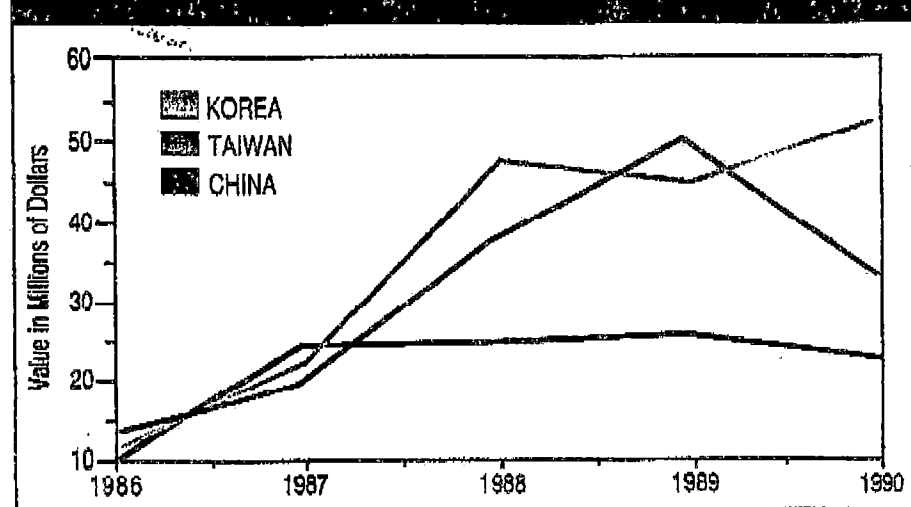
Wood in China is in short supply and is considered a priority commodity. The country even has an austerity wood-substitution program in effect. Although Canada has succeeded in penetrating the market with a barter system, China's restrictions on currency severely limit opportunities to the heavily populated Asian nation.

The quarterly trade report is produced with the assistance of the University of Alaska Anchorage's Alaska Center for International Business, which maintains international trade statistics. Eric Downey is an ACIB research analyst, specializing in wood products.

Value of Alaska Timber Exports to Japan, 1986-1990



Value of Alaska Timber Exports to Other Asian Markets, 1986-1990



Value of Alaska Timber Exports, 1986-1990

In Thousands of Dollars

Year	1986	1987	1988	1989	1990
Japan	200,601	272,320	343,162	441,727	431,915
Korea	11,423	22,063	47,207	44,519	53,112
Taiwan	13,450	19,103	37,084	49,551	33,369
China	9,172	24,657	24,929	25,680	22,993
Other	25,242	47,028	63,311	73,822	76,031
World	\$259,888	\$385,170	\$515,693	\$635,299	\$617,420

Source: U.S. Bureau of Census. Compiled by Alaska Center for International Business

NEWS



U.S. SENATOR

**FRANK
MURKOWSKI**
OF ALASKA

FOR IMMEDIATE RELEASE:

December 3, 1991

CONTACT:

Chuck Kleeschulte, Hotel Okura
Tokyo, Japan (03) 582-0111 or
Mike Heatwole 202/224-3924

MURKOWSKI SEEKS TAIWAN TO BUY GAS, COAL FROM ALASKA

TAIPEI, Taiwan -- Alaska Senator Frank Murkowski Monday asked officials of Taiwan to consider buying into the Alaska natural gas pipeline project as a means of assuring funding and a market for Alaska's natural gas.

Murkowski also asked Taiwanese President Lee Teng-hui to appoint members to a joint energy feasibility study team to assess whether new technology for upgrading Alaska's coal will solve concerns about its desirability, possibly improving chances for the inking of contracts allowing for the opening of one or more pending Alaska coal projects.

Murkowski said that he received encouraging responses concerning coal and expressions of interest on the part of high-ranking government officials towards renewed consideration of buying Alaska natural gas as well.

"It was a very encouraging day overall. There was appreciation for the many arguments we presented as to why it makes good sense for Taiwan to participate with Alaska in development of the state's natural resources," said Murkowski.

During a 90-minute meeting with Taiwan's President Lee near the start of his 10-day Asia trade mission, Murkowski proposed that Taiwan solve its future energy needs, help curb its growing problem of air pollution, cut its balance of payments surplus with the United States and protect the stability of its future energy supplies by buying Alaska natural gas and coal.

"Given the recent precedent where Taiwan agreed to purchase up to a 40 percent stake in the McDonnell-Douglas Co., it seems appropriate that the country might also want to consider making an equity investment in a

coal processing plant or the Alaska gas line project. Investment in the development of Alaska's natural resources would assure Taiwan of secure long-term supplies, while providing it with a return on its investment," said Murkowski.

Noting Taiwan's more than \$70 billion budget surplus, Murkowski said the island, which calls itself the Republic of China, would be wise to invest in its energy future.

In the absence of interest in making an equity contribution to the \$11 billion to \$13 billion TAGS project, Murkowski asked Taiwan leaders to seriously consider signing a letter of intent to make a long-term commitment to purchase gas from Alaska -- a commitment from Taiwan and Japan are vital for the Alaska gasline to proceed. Noting that the line, which should be able to supply from 14 million to 16 million tons of liquefied natural gas a year needs firm orders for 7 million tons per year to be economically viable. Murkowski is pushing Asia nations to make a firm commitment to purchase that minimum amount so the project can proceed.

While declining for diplomatic reasons to talk in detail about Lee's response to his proposal, Murkowski said the President's response encouraged him to believe that Taiwan will take a fresh look at buying Alaska natural gas. The country currently has just opened its first power plant utilizing LNG and is evaluating whether the cost benefits of the fuel are favorable, compared to burning high-sulfur coal and heavy oil that currently is used to generate Taiwan's electricity.

Murkowski said officials led him to believe that if the benefits are proven, and if consumers prove willing to shoulder higher utility bills in order to improve the country's polluted air, that Taiwan would be willing to convert some of its urban power plants to LNG, increasing its need for the gas substantially.

On coal, Murkowski said Lee and other officials, asked for more information on a new technology, called K-Fuel, designed to increase the heat content (BTUs), while reducing the moisture of Alaska's low sulfur coal.

"If the technology is as cost competitive as the sponsors believe, it makes good economic sense to build a K-Fuel plant at the Beluga-Chuitna coal field west of Anchorage. The deposit is the world's largest coal field

located at tidewater. Development of the coal field would provide needed jobs and a long term boost to the Anchorage economy," said Murkowski.

"On coal, President Lee said he was very interested in the K-Fuel concept and promised to carefully study all the scientific material available on the process and its economic feasibility," said Murkowski.

The senator said he intended to send President Lee full information on the process and then encourage backers of the K-fuel process to personally visit Taiwan to answer questions about the process.

Currently Taiwan buys about 3.5 million tons of U.S. coal a year.

"What we want is for Taiwan to seriously look at the benefits it can gain from Alaska coal -- using the K-Fuels process -- and from Alaska natural gas. The two projects really complement each other. We just have to keep pushing to find the markets to make both a reality," said Murkowski.

Murkowski Monday met with President Lee, Taiwanese Premier H.E. Pei-tsun, Foreign Minister Fredrick F. Chien, Vice Minister of Foreign Affairs C.J. Chen, Minister of Economic Affairs Vincent Siew and officials of Taiwan Power Co., purchaser of the island's coal supplies. During the talks a host of international issues also were raised. The senator leaves Taiwan Tuesday for a three-day visit to Japan before heading on for three days of talks in Seoul, South Korea.

NEWS



U.S. SENATOR

**FRANK
MURKOWSKI**
OF ALASKAFOR IMMEDIATE RELEASE:
December 5, 1991CONTACT: Chuck Kleeschulte/Mike Heatwole
202/224-9311

JAPANESE SUPPORT ALASKA GAS PURCHASES, BUT QUERY GAS AVAILABILITY

TOKYO, Japan -- In a significant pronouncement Japan's Minister of International Trade and Industry, Kozo Watanabe, has assured Alaska Senator Frank Murkowski of Japan's desire to purchase Alaska's North Slope natural gas. The minister at the same time held off from officially endorsing the project because of Japanese concerns that Alaska's gas producers aren't really interested in selling the gas in the near term.

Watanabe, during a meeting with Murkowski late Wednesday, said he has informed Japanese industry that they should attempt to purchase energy supplies from the United States whenever possible. The new energy minister said such purchases were important to reduce Japan's trade imbalance with America, to diversify Japan's sources of energy and to cement good relations among the superpowers.

"From the Japanese energy perspective, I've always felt that we should have a special relationship between Japan and the United States/Alaska. It is important that we import your coal and natural gas. It just makes good sense," said Watanabe, during a meeting with Murkowski, as part of the senator's 10-day trade mission to Asia.

But Watanabe said Japan was confused by conflicting reports, including suggestions by some North Slope gas producers that they really aren't ready to sell Alaska gas within the next decade -- some producers possibly preferring to keep the gas for reinjection into the Prudhoe Bay field until after 2010.

"It is unfortunate but true that our efforts to market Alaska's natural gas are being hurt by confusion over the real intentions of the North Slope gas producers. We need to get the producers to sit down with the likely purchasers of the gas and definitely pledge that they are interested in selling in the near term. This must happen soon," said Murkowski.

"Without solid commitments by willing sellers and willing buyers we are spinning our wheels," said Murkowski, as he pledged to attempt to obtain firm commitments from all the North Slope gas producers to support the Yukon-Pacific gas line project in the near term -- so that contracts can be inked, the line built and deliveries started by the next century.

"This is a long lead-time project. In order for it to be delivering gas in 2000, all sides have to start making headway within the next two years. This trip has proven that we have a real chance to make the gasline a reality, but only if we clear up the inconsistencies once and for all," said the Republican senator.

In order for the Yukon-Pacific Corp. proposal to build an 800-mile pipeline to Valdez to carry the state's more than 26 trillion cubic feet of gas to market, firm commitments must be obtained for the purchase of 7 million tons of liquefied natural gas. Officials in South Korea have already signed a non-binding letter of intent to buy 2 million tons -- with the possibility of the country doubling its commitment. That means that other Asia countries must agree to buy between 3 and 5 million tons for the \$13 billion TAGS project to be economically feasible.

Murkowski Thursday, during additional intensive talks with the Ministry of International Trade and Industry and with officials of the Tokyo Gas Co. and Tokyo Electric, learned that Japan expects to buy at least 21 million metric tons of additional gas per year between 2000 and 2010. The country currently is using 36 million metric tons of LNG a year -- gas usage currently rising by 5 percent a year with the estimate being it will average at least 2 percent a year over the coming two decades.

"There are lots of potential places for Japan and Taiwan to get their gas. But it is clear that we can sell them our gas if we can build a project that will allow the gas to be competitive and as long as we can guarantee that we have gas to sell," said Murkowski.

Watanabe, Japanese Natural Resources and Energy Director General Teiichi Yamamoto and Tokyo Gas and Tokyo electric officials all questioned whether the Alaska natural gas project was a "real" project given a 1988 pre-feasibility study that questioned whether there was sufficient gas for both export and for reinjection into the Prudhoe Bay field to keep field pressures up -- helping increase oil recovery from the field.

Murkowski said that Japanese officials made it clear that Alaska is one source they are considering to tap for additional LNG supplies. But other competing sources include the Natuna field in Indonesia, potential fields in the Soviet Union on Salakalin Island and gas finds in Qatar in the Middle East. Taiwan is considering developing another project, the Huffington Union Texas deposit also in Indonesia.

"We made excellent progress on this trip, but we have to settle definitely the willingness of the U.S. gas owners to commit to the Japanese users a sufficient supply of gas," said Murkowski.

Murkowski said that the Japanese industry says for a project of this size to proceed they must have the support of the Japanese government. Government, meanwhile, insists it needs assurances that the sellers will provide sufficient gas.

MITI Minister Watanabe on Wednesday said Japan would like to invest in an Alaska energy project. Noting that TAGS gas purchases could reduce Japan's trade surplus compared to the United States by \$3 billion a year on the initial volume of 7 million tons per year and by more than 6.5 billion in trade offset on full capacity flow of 16 million tons per year.

Concerning coal sales, Murkowski received some encouragement as to the state's chances of selling its Beluga-Chuitna coal to Japanese power utilities.

Officials at Tokyo Electric said they would be most interested in receiving detailed data on a new technology that is designed to upgrade Alaska's coal, doubling its BTU energy content while cutting its flyash and nitrogen oxide emissions. The so-called K-Fuel process is being proposed by the developers of the Beluga-Chuitna fields to increase the chances for Alaska coal sales.

"It is encouraging that there is renewed interest in studying the results of tests on the K-Fuel process. If the process works as well as its backers say it does, we have a chance of making real inroads into coal sales markets in Asia," said Murkowski at the end of his stay in Japan, the second stop on his three-country trade mission to the Far East. He now moves on to Seoul, South Korea for a series of meetings with fishing groups and energy groups this weekend before returning to Washington on Monday.



Office of Senator Frank H. Murkowski
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Source: Office of the Governor, Office of International Trade.

International Trade

Resource Potential

Alaska lies at the center of a trade hemisphere that stretches from Europe to the Orient. Anchorage International Airport, one of the world's busiest, is located almost midway between New York and Seoul, Bonn and Peking, London and Taipei. Alaska's many deep ice-free ports are closer to trade centers of the Northern Pacific Rim than any other ports in North America.

Alaska, with the production of about 2.1 million barrels of oil and 1.2 billion cubic feet of natural gas daily, produces more oil than any other state in the U.S. and supplies about 25 percent of total U.S. oil production. Estimates of Alaska's remaining recoverable reserves range from 5.0 to 11.6 billion barrels of oil and from 28.9 to 35.0 trillion cubic feet of natural gas.

Several world-class mineral deposits exist in Alaska, and there is the potential of other yet undiscovered deposits. The state represents a secure source of critical strategic and nonstrategic metals and coal. Commercial timber potential is estimated at 2.18 billion board feet. Off Alaska's coast, the continental shelf hosts a fishery that accounts for 50% of the total annual U.S. catch, with a potential resource for making Alaska tenth in the world in total fish production, and seventh in production of fish for human consumption.

Source: Office of the Governor, Office of International Trade, Department of Natural Resources, Division of Oil and Gas.

Trade with

Japan is Alaska's export comparison, but were not even Republic of C Japan is liquid natura products such 95 percent of

Source: Office

Military

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Alaska is Elmendorf Air at Elmendorf / include the 507 at Galena, the Strategic Air C and Control Sy long range rad

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Headquart located in Anch and Juneau.

The 17th (Alaska's 33,000 enforcing the 20 nance of naviga nator for the cle

The Navy a on Adak Island. Command Office

TRANS-ALASKA GAS SYSTEM
(TAGS)

- ◆ An 800 mile, 36 inch, buried natural gas pipeline across Alaska -- parallel to the Trans-Alaska Oil Pipeline -- to carry up to 2.3 billion cubic feet daily to a liquefied natural gas (LNG) terminal at Anderson Bay, Alaska.
- ◆ A fleet of 15 tankers will carry the LNG to markets.
- ◆ TAGS will permit production of over 35 trillion cubic feet (TCF) of Alaska North Slope gas.
- ◆ Export of Alaska gas to Pacific Rim nations via TAGS will reduce the U.S. trade deficit by as much as \$3 billion each year.
- ◆ TAGS will create over 10,000 jobs throughout the United States through construction, support services, and supply manufacture.
- ◆ TAGS has received the necessary rights-of-way and environmental clearances from the Federal and State governments and should shortly get its Federal export licenses.
- ◆ TAGS can be constructed in four years at no cost to the taxpayer.
- ◆ TAGS will be built by the Yukon Pacific Corporation at a cost of \$11 billion.

TRANS-ALASKA GAS SYSTEM

The Yukon Pacific Corporation proposes to construct the Trans-Alaska Gas System (TAGS) to increase U.S. exports by delivering Alaska North Slope Gas to Pacific Rim markets.

TAGS will consist of an 800 mile, 36 inch, buried gas pipeline parallel to the Trans-Alaska Oil Pipeline, a terminal at Anderson Bay to convert natural gas to liquified natural gas (LNG), and a fleet of tankers to carry the LNG overseas. The system will provide a market outlet for over 35 trillion cubic feet (TCF) of surplus natural gas reserves found in and around the Prudhoe Bay oil fields. There is enough gas in Alaska to supply TAGS and any domestic supply project that may become economically viable.

TAGS will be capable of exporting over 14 million tons of LNG annually to our Pacific Rim trading partners. Such export sales will reduce our balance of trade deficit by nearly \$3 billion each year. No other single project can have such a positive effect on our trade balance.

At home, TAGS will generate over 10,000 jobs in Alaska and thousands of additional jobs throughout the United States in support service and supply sectors. Every state will be an economic beneficiary of this project.

TAGS is almost ready to go. Pipeline rights-of-way have been granted by the Federal and State governments, environmental assessments are complete, and export approvals have nearly been granted. Upon the completion of LNG sales contracts with Japan and others, project construction can begin and be completed within four years.

Environmental impacts will be negligible. TAGS will parallel the Alaska oil pipeline which has operated cleanly for over a decade with no significant environmental effects. The effects of a gas pipeline will be even less as the line will be buried.

A completely private undertaking, TAGS will cost approximately \$11 billion to build to completion. No government financial support is necessary.

**Remarks by Senator Frank Murkowski
Asia-Pacific Coal Technology Conference
East-West Center Honolulu, Hawaii
November 15, 1989**

When you talk about the energy resources of the Great State of Alaska, the first thing that comes to mind for most people is oil.

They've heard about our vast petroleum reserves.

What they don't know, is that Alaska's COAL offers the greatest potential to fuel our Pacific allies for decades.

Alaska is a big state -- about one-fifth the size of the whole United States.

It contains the largest, high quality coal reserves in the world -- that are located conveniently for export to the Pacific Rim.

Our reserves are estimated to be over 5.5 Trillion tons-- approximately equal to the total estimated coal resources of the 48 contiguous states.

Alaska's coal, which underlies about 9 percent of the state's land area, is mainly bituminous and subbituminous, and has extremely low sulfur content.

It's been mined for more than 100 years.

For several reasons, however, production has always been very low in comparison with our potential.

That may be changing.

As a result of uncertain energy supplies, increasing desires to reduce demands for petroleum, and other economic and political factors, Alaska's coal resources are today receiving an increasing amount of attention.

In fact, the experts predict we'll see increased and expanded coal production in Alaska in the very near future.

The Nenana Coal Field and the Usibelli Coal Mine

We certainly know where the coal is. Major coal deposits are identified in several parts of the state.

The Nenana coal field, located on the north flank of the Alaska Range, is our only operational field at the present time.

Coal mining has been ongoing here since 1914.

Estimated reserves at Nenana are more than 14 billion tons.

The privately owned Usibelli Coal Mine produces approximately 1.6 million tons per year, and production is expanding in response to both increased demand for electricity in Alaska, and increased demand for coal in export markets.

Sulfur content of that coal is less than one-half of one percent.

The Usibelli Coal Mine is a modern and highly mechanized, year-round operation.

The company controls reserves in excess of 3 billion tons, of which approximately 250 million tons are recoverable.

One-half of the current production is sold to buyers in Interior Alaska for power generation and district heating.

The balance --approximately 640,000 tons -- is exported to South Korea.

Taiwan has also been a customer, purchasing 120,000 tons of coal for a major test program.

Coal exported to South Korea and Taiwan is moved by rail, 362 miles from the Usibelli Coal Mine's tippie at Healy Alaska, to the Suneel Seward Coal Terminal at Seward, Alaska.

The coal terminal is located at a deep water and ice-free port which is operated year-round. It is designed to handle a throughput of 3 million metric tons of coal per year.

The Seward coal terminal is owned and operated Suneel Alaska Corporation, a wholly-owned subsidiary of Sun Eel Shipping Company of Korea. It was built after Usibelli signed a long-term contract to provide coal to Korea Electric Power Corporation (KepCO).

The Beluga Coal Field

One of Alaska's untapped coal fields that has the best potential for development in the near future, is the Beluga-Chuitna Field -- held by a consortium that includes Diamond Alaska Coal Company and Placer U.S. Incorporated.

It's one of Alaska's most accessible sources of very low sulfur steam coal, located within 6-to-25 miles of deep water port sites on the Cook Inlet.

The combined tonnage of surface-mineable low-sulfur coal, totals approximately 1 billion tons -- at less than 3 cubic yards of waste per ton of coal.

Engineering feasibility studies by the two companies show that up to 15 million tons of coal can be mined at Beluga annually.

This subbituminous coal contains less than two-tenths of one percent sulfur and a heating value of 7,800 to 8,200 Btu's per pound -- but a 23.6 percent moisture content.

Placer's Beluga coal reserves exceed 500 million tons.

Diamond Alaska controls leases in the Chuitna field -- a field with reserves estimated at 30 billion tons.

These subbituminous coals have an unusually low sulfur content, lower than any known coal reserve in the world. About one-tenth of one percent!

The company has overseen an intensified drilling program and the completion of many engineering and economic studies of the Chuitna field.

A majority of the permits necessary to begin mining have been obtained and the critical state mining permit has been issued to the project.

The favorable handling and the combustion characteristics of Alaska subbituminous coal have been demonstrated through the use of Usibelli coal in Korean power plants and through extensive testing of Beluga coals.

The extremely low sulfur content, large reserves, geographical location, buyer need for diversity and security of supply, as well as the desire to reduce the trade imbalance between the United States and our Asian allies -- are all good reasons why Beluga-Chuitna and Nenana coals should be attractive to Pacific Rim markets.

The Matanuska Coal Field and the Wishbone Hill Mine

And that's not the extent of our possibilities for coal export either.

The Matanuska coal field is located in the Matanuska Valley of southcentral Alaska, about 50 miles northeast of Anchorage.

The Wishbone Hill district, one of four in the Matanuska field, has great coal development potential because of its excellent coal quality and the available transportation system.

Coal mining has taken place around Wishbone Hill since 1916, with 7 million tons of coal extracted for railroad, power plant and domestic use prior to 1968.

Idemitsu-Khosan, the holder of the Wishbone lease, has identified at least 17 million tons of surface-mineable bituminous coal.

Total mineable reserves here are estimated up to 60 million tons.

Export coal from this site can be transported by the Alaska Railroad from a location near the mine site to the Port of Seward, about 155 rail miles away.

Coal Resources of the Western Arctic

Finally, let me mention the largest coal field in Alaska.

The bituminous coal resources of the Arctic are the largest in the state, and probably represent the largest in the United States, ranking with the top two or three coal provinces in the world!

Because the Northern Alaska province is remote, it has not been systematically divided into coal fields. Total hypothetical resources of the province are about 4 Trillion tons!

Sulfur content is under 3-tenths of one percent, heating value up to 13,500 Btu's.

Engineering and feasibility studies have been done on Western Arctic bituminous coal for domestic power and heating needs

But at this time, an export project utilizing this vast coal resource has not been planned.

Development of the Western Arctic coal region will provide the people of rural Alaska with a cheaper and more stable source of energy as an alternative to high cost fuel oil.

There is also a proposal before the Department of Energy for a clean coal technology grant to build a high-tech power plant in the Arctic.

Alaska Coal is Ideally Suited for Asian Markets

Obviously, Alaska has the coal. Our challenge is to develop the export market for it -- and that's the Pacific Rim.

Over the next several decades, the Pacific region will exhibit one of the greatest per capita growths in the world .

This means they need additional electrical power, and new coal projects are now being planned and dedicated for completion in the next decade.

New developments in coal technology, such as fluidized bed combustion, will permit both greater variation in quality of coal feed and the use of a coarser coal size, -- factors which are beneficial to users of subbituminous coals.

Excellent combustion characteristics offset the extra grinding capacity which would be required for Alaska coal in conventional pulverized boilers.

The greatest attribute of Alaska coal, not presently recognized in the market place, is its extremely low sulfur content.

Without doubt, Alaska has within its borders the largest deposits of low sulfur coal in the world -- significant to address world environmental concerns.

New coal-processing technologies can produce upgraded Alaska coals with the attributes of a high heat value and extremely low sulfur which can be burned in existing power plants without the need for those plants to be modified with expensive pollution abatement equipment.

The greatest single market barrier for Alaska coal is the high moisture content, generally greater than 26 percent, of the subbituminous resources.

Understandably great emphasis is being placed upon the quest for cost effective technologies to remove much of the moisture and produce a much higher energy content fuel.

A dried or processed fuel with high heating value and excellent low pollution characteristics should command premium price in Pacific markets.

There is great promise that an upgraded fuel can be produced economically.

Usibelli Coal Company is currently evaluating appropriate coal processing technology in conjunction with a proposed coal-fired mine mouth power plant.

The power plant would produce electricity for the local area in addition to providing the primary heat source for the coal processing plant. This will be the cleanest burning power plant in the world!

Similarly, coal processing technologies could be successfully applied to the larger Beluga-Chuitna field projects to produce a high quality coal product.

The application of such technologies can remove market barriers which may be presented by high moisture or low heating values.

In other words, Alaska's has plenty of high quality coal available.

We also have an advantage in transportation.

The port of Seward is ice-free and routinely berths Panamax vessels (60,000-to-70,000 dead weight tons). And with increased tug capacity, the port could accept small Cape size bulk carriers (120,000 dead weight tons).

The capacity at Seward is currently underutilized. It could handle an additional 2 million metric tons per year.

And we're closer to the Pacific Rim markets than our competitors:

For instance, Alaska is about 4,300 nautical miles from Japan. While Australia is 4,500; South Africa 7,200 miles, and San Francisco more than 5,000 miles.

Alaska's existing port capacity, the availability of coal resources, a developed over-land transportation system (our Alaska Railroad), and proximity to the major export markets, are all key elements which Alaska's coal industry possesses.

Private interests are actively pursuing the development of these resources and are prepared to accept commitments from Pacific Rim buyers.

While run-of-mine Alaska coal is marketable, the application of new coal processing technologies, with the aid of U.S. grant programs, may produce the highest quality coal product available in the world.

Great opportunity awaits Alaska coal business ventures as export markets recognize the large environmentally sound resource which we have to offer.