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High Country News

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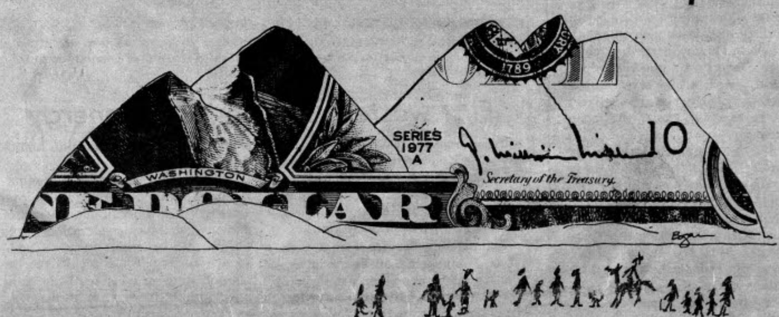
In the News

Colorado Dept. of Public Relations

Western severance taxes

A mountain of money above a not-so- fruitful plan



by Dan Whipple

When the Anaconda Copper Co. closed its Anaconda, Mont., smelter last October, the community appealed to the state for help in keeping the town alive. They wanted money to attract new business and replace at least some of the 600 jobs lost by the desertion of its largest employer.

The state's response, however, has been disappointing, according to Kevin McNelis, Anaconda Task Force director, who is administering the rehabilitation attempt. "We really didn't get much help," he said.

Despite the introduction of several bills in the legislature designed to provide a mechanism and money to generate an economic rebirth for the town — as well as other economically depressed areas of the state — only minor assisting legislation was passed. Anaconda Democratic Rep. Red Menahan, sponsor of the comprehensive legislation that failed said, "As one Republican gentleman from Billings told me, 'Maybe — like the Chrysler Corp. — towns that can't support themselves for a while ought to die, too.' "

There is broad irony in the plight of Anaconda appealing to the legislature of its own state and going away empty handed. Montana has collected nearly $300 million in coal severance taxes since it enacted its controversial 30 percent severance tax in 1975. About $75 million has been placed in a permanent coal trust fund, to leave the state with a financial base when the mineral resources are gone. However, when one resource ran out a little sooner than expected, those who could benefit from the noble intentions of the trust were cut off.

The reasons for Anaconda's troubles in the legislature are partly philosophical — as expressed by the Billings senator — and partly political. "Anaconda and Butte have always been considered outcasts in Montana because of our industrial base," said McNelis. But the state's failure to deal with the "bust" of one of its towns points to a larger problem in the Rocky Mountain states with high severance taxes. The states have no policies and few programs to constructively use the vast sums of money they are getting for their own resource-related problems. And the chief beneficiaries of their investment programs are either the federal government or corporations with few business activities in the state.

Despite the fact that Montana's tax has been in place since 1975 and Wyoming has been taxing minerals since 1968, "the most urgent challenge" still facing these states is "What to do with all the money?" according to Wyoming Republican State Sen. Tom Stroock.

THE HIGHEST ONES

Wyoming and Montana receive the most attention in any discussion of severance taxes, simply because they have the highest. Outside of Alaska, they are the only states accumulating large stores of unspent revenues from state resource taxes.

Montana's 30 percent rate on coal is the nation's largest. Wyoming has a 10.5 percent coal severance, with ad valorem and local taxes making the effective tax rate closer to 17.5 percent, placing it third behind North Dakota. Both states also gain considerable income from taxes on other minerals, primarily oil and gas. Though taxed at a lower rate, oil and gas produces more revenue for Wyoming than coal does. Petroleum is not as large a factor in Montana's revenue pie.

Other Rocky Mountain states do not figure prominently in the severance tax argument. Utah has none. Idaho currently produces few energy minerals. Colorado's tax is only two to four percent of the value of the coal.

The size of the two states' taxes has drawn fire from Congress, particularly from those states' delegations whose constituents pay most of the taxes in the form of higher electric rates. Those delegations are proposing severance tax limitations — usually 12.5 percent — arguing that the western states are "blue-eyed Arabs" holding up the rest of the country for extra, unnecessary taxes and generally contributing to the inflationary spiral. Montana contends that the taxes cost a Midwestern consumer an average of 21 cents per month.

Montana Gov. Ted Schwinden (D) said he "resents the assumption that we will exploit our fellow Americans...We will share the resources with the rest of the United States. But we will insist on environmental standards and the rates of current taxation to protect the integrity of this state...and give us a decent place to live 50 or 60 years from now."

Despite the high-flown rhetoric, the policies of both states have ignored large opportunities to help their people, as in Anaconda. Attempts to invest in building an alternative economy to the

(continued on page 10)

Dear Friends,

The Fourth of July passed fairly peacefully in Lander, which has no official town fireworks display. You go out in the backyard, or stand in the street, and spin in a circle hoping that some neighbor will send an interesting plume of colorful explosives skyward just as you reach the right point of the compass.

Earlier that day, Lander held its usual parade, and one of the prize perches — HCN's Main Street windows — was occupied, as usual. Dan stood on the sidewalk below, was broiled by the hot sun, and wrote this week's cover story from a sickbed.

The rest of us scattered in the summer winds. Geoff beat away gangs of mosquitoes on the North Fork to come back with an empty creelbag. Kathy barbecued chicken, Beverly a spare rib, while Cyndy, with a now seven-month promise, nearly roasted hersel(ves) under the high sun at the rodeo grounds.

Michael unpatriotically slept through most of the events to catch up on who knows what, while Debbie, having caught who knows what, stayed home a bit queasy. Joan Nice made up for both of them by catching the sunrise while breezing through the annual 13.1 mile running race. Our new summer intern Dale slipped away to Yellowstone for a little field work.

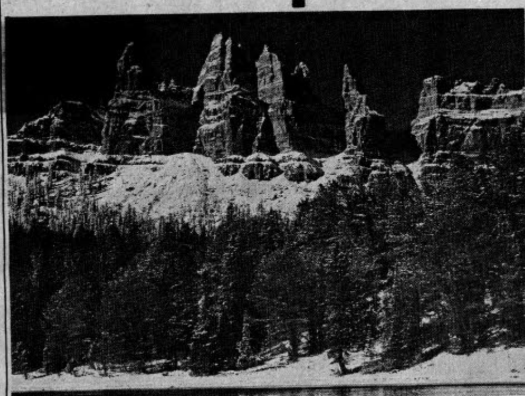
Those who watched the parade from our roost probably couldn't help but notice the one touch of class we've recently added. In four strategic locations throughout the office, there are now instruments of varied colors with translucent buttons along the bottom that light up and blink.

It has taken some adjustment, having new phones with three lines and what the phone company calls "roll-over," which without prompting sends calls to the nearest unoccupied line.

Now, when some reluctant confidant asserts that they've been trying to reach us for a week with some crucial information and they're so sorry our deadline has passed, but the phone was busy, well...no longer will that excuse wash. Nor will we be clanging on and off the line during each others' calls on press week, when it seems like at least three of us always need to use the phone. Our new number: 307-332-6970.

— the staff

Western Roundup



Richard Murphy, Jackson Hole News

KISINGER LAKES, framed by the Pinnacle Buttes, sits on the western side of the DuNoir, an area bordering the Washakie Wilderness that oil companies have applied to lease.

First western wilds eyed for energy

"They erased that wilderness boundary when it comes to oil and gas," said an official at the Shoshoni National Forest following "open house" meetings last week on possible oil and gas leasing in Wyoming's Washakie Wilderness.

A U.S. Forest Service team in Cody, Wyo., is preparing an environmental impact statement on possible leasing in the Washakie, a 687,000 acre wilderness bordering eastern Yellowstone National Park. If Forest Service officials decide to allow leasing, it would be the first time leases have been processed in a national wilderness area, and fireworks are expected.

"This one more than any other is going to bring the whole issue into focus," said Bruce Hamilton, Northern Plains representative of the Sierra Club. "It's an incredible piece of country...but nobody knows about it."

Development of wilderness areas is prohibited by the Wilderness Act of 1964, but mineral leasing was exempted from the ban. Whether officials decide to allow or not allow leasing in the Washakie, the issue is likely to wind up in court.

Ray Hall, the Shoshoni National Forest Supervisor, says there have been 115 lease applications covering about half the wilderness area. "I'll be surprised if it's not totally blanketed by the time we finish this," he added. A draft environmental impact statement is expected out in November.

Less than 120 people showed up for three " open houses" in Cody, Casper and Dubois, Wyo., but Hall said written comments on proposed leasing are arriving daily. Hall said about 90 percent of those who came to the open houses opposed leasing.

The Shoshoni planning team has outlined 12 possible alternatives to consider in the EIS, including no leasing or exploration; limited exploration but no leasing; leasing with no surface occupancy allowed (which would require slant drilling or other methods using developing technology); or leasing with surface occupancy.

A preliminary report by the U.S. Geological Survey indicates high oil and gas potential on the eastern side of the wilderness, moderate in the middle and low on the western side. Wells have been drilled to the east of the wilderness area to depths of about 7,000 feet. Most of those on Forest Service land, Hall said, have been dry, but some are producers.

Chevron, Inc., has done seismic testing in the DuNoir area southwest of the wilderness area and is now applying to drill in the Gap Lake area.

A group of area residents led by Meredith Taylor of Meeteetse have organized a petition drive to keep oil and gas developers out of the wilderness. Hamilton is trying to drum up national interest in an issue that could have an impact on primitive areas around the country.

Hall said he had also received applications for oil and gas leases in the Fitzpatrick Wilderness, the North Absaroka Wilderness and the Popo Agie Primitive Area. Those areas, considered to have less oil and gas potential than the Washakie, will be studied as part of the general forest plan. That plan is not expected until fall, 1982.

Managing wilds still subjective

Managers of the nation's 80.3 million acre wilderness system by and large do not know how many people their areas can handle without suffering visitor damages, a study has found. That information void is hampering successful management efforts.

The study was conducted by a U.S. Forest Service researcher and was published in the June **Journal of Soil and Water Conservation**.

The researcher surveyed federal wilderness managers, including Forest Service and National Park Service personnel, and found that nearly one in two admitted they were unable to estimate the carrying capacity of their areas.

One use indicator studied by the researcher, however, found a total of nine million people were hoofing it down 19,343 miles of trail in 1978, for an average of 468 people per mile. (The average was lowest in the Rocky Mountain region at 285 people per mile.)

Yet even in the most heavily used national park areas, such as Point Reyes, Calif., which logged 6,000 visitors per mile in 1978, the wilderness managers perceived no carrying capacity problems.

Forest Service personnel were generally more conservative, often divided on their perceptions. A third of those asked about one particular area receiving 467 visitors every mile each year felt the capacity of the land to hold up under all those boots was being exceeded.

The conclusion reached by the study: We need more information. Translated, that would mean new permits for your next trek into the wilds.

Kent and Donna Dannen

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Predator spore chasing hopper plague

The Colorado Department of Agriculture and county extensionists are predicting that this year's grasshopper infestation in the northern Rockies may be four times worse than last year's.

With this grim report, grasshopper control is becoming big business. Among the more promising defenses is the **Nosema locustae** spore, a naturally occurring organism carried by the hopper population.

The organism kills members of the cricket and grasshopper family by eating fat globules in the insect's body, causing a slow death. The spore can be passed onto future generations through cannibalism or through the eggs but does not kill other organisms.

The spore is suspended in liquid and applied to bran. Treated bran can be applied by hand to the garden or aerially or with spreaders to rangeland.

One promoter of the spore claims the organism kills hoppers within 18 days of application and kills up to 60 percent of the population. In order to obtain these results, the spore should be applied before the hoppers enter their winged stage. The treatment's effects should last two years and may last up to 10 years, the promoter said.

Two days of hot, dry weather are needed following the application for the insect to ingest the nosema. (Hoppers are not active during rainy weather.) Producers of the spore warn that rain one hour after application will negate the effects.

But, said John Capinera, assistant professor of entomology at Colorado State University, these claims may be stretched slightly. He said the claims that it may last 10 years are questionable.

"It will be a minimum of six weeks before you see mortality in the grasshoppers," Capinera added. "You may get 50 percent mortality."

In tests conducted by the University of Wyoming in which nosema was applied to rangeland, the spore killed large numbers of insects in the first year. However, the first-year population did not fall below the "economic damage" level (eight hoppers per square yard). During the second year, the pests were below that concentration.

The entomologist said research into other forms of nosema and other forms of biological control which show more promise than nosema is being conducted by the University of Montana and the U.S. Department of Agriculture Laboratory in Bozeman, Mont.

— Vicky Boyd

Homesteaders near geysers aim for higher new royalties

Lynne Bama

A controversy has surfaced in the hot waters of the Geysers geothermal area north of San Francisco that could eventually be felt in the Rocky Mountain region.

Owners of some 35,000 acres of California rangeland acquired under the Stockraising Homestead Act are seeking increased compensation for the impact development is having on their land.

The 1916 act opened some 35 million acres of public lands in the West to private ownership. Mineral rights were kept by the federal government, however, which has generally left owners of homestead land to negotiate with mineral (including oil and gas) developers for royalties or other payments on a case by case basis.

Geothermal energy, the Supreme Court ruled in 1977, is also, for the law's purposes, a mineral. But landowners in the Geysers are protesting the ruling and petitioning the federal government to give them legislative rights when bargaining for compensation from developers.

Tapping a geyser for heat or electricity involves most of the usual activities associated with oil and gas development — roads, drilling equipment, noise and disposal ponds.

But geothermal energy usually is not economically transportable and powerplants, along with cooling towers, piping and transmission lines, are also built on site. The affects on stock grazing (or other uses, such, as hunting or recreation) can be devastating.

Many landowners in the geysers are dissatisfied with the rents and royalties they negotiated in the mid-1960s — before the 1970 Geothermal Steam Act brought in large cash bids by developers.

One owner is asking for an annual $10 per acre rental fee, a five percent royalty, and a $500,000 bond to cover damage.

The outcome of the Geysers conflict may affect the Rocky Mountain region in two ways.

First, some of the 2.5 million acres of federal land now leased for geothermal development (in all ten western states) is also land homesteaded under the stockraising act. It ranges from three percent of Montana's 56,480 acres of geothermal leases, to 15 percent of Colorado's 20,480 acres of leases.

A recent analysis by the BLM found that the cost of producing geothermal energy was the major impediment to development. New regulations to encourage development may look dimly on additional landowner compensation demands.

Second, what goes for geothermal could go for oil and gas. There is roughly ten times the amount of homesteaded land sitting on oil and gas leases, a recent General Accounting Office study found, as high as 19 percent in Wyoming.

The GAO noted that if the Geyser landowners succeeded in their bid for higher compensation, "this may prompt stockraising landowners with oil and gas leases to request similar compensation."

Efforts to speed geothermal development, meanwhile, are underway both in Congress, where Sen. Henry Jackson (D-Wash.) has reintroduced amendments to the Geothermal act, and in the administration.

Sun Valley condos push elk aside

SUN VALLEY, Idaho — A fleece suit with plastic antlers will soon be the only elk left at Elkhorn, a ski resort complex here. With the development of 68 June Day homesites, Elkhorn at Sun Valley is eliminating the last of its namesake animals. Only Edgar the Elk, the resort mascot, will remain.

Elkhorn was named for the elk which frequented the valley before 1972. In that year, construction began on the Elkhorn village and the first of many condominium and homesite projects. As the resort complex grew, a herd of 50-75 elk withdrew into the surrounding foothills.

The recent June Day development, according to local Fish and Game officers, was figuratively and literally the last straw for the shy animals. The homesites were developed on critical elk feeding grounds.

The installation of roads and utilities haven't forced the elk herd from the area yet. But as each new house is built in the subdivision, the elk lose more of the sagebrush-covered hilsides and the willow bottoms where they customarily feed in winter. Before the elk starve to death, the Fish and Game Department will trap the animals and move them to a more remote location.

If a significant number of houses are built this summer, the elk could be moved this fall.

Fish and Game officers fought the move from the start. With the support of 800 local petitioners, officers asked the Elkhorn Development Company to eliminate 15 of the proposed homesites or to cluster them out of the canyons to preserve a feeding ground for the animals.

Elkhorn responded by moving just one lot, and by eliminating two others. The development plan otherwise remained intact. Clustered units would not sell as well, Elkhorn Realty President John Harker explained.

Harker reminded the Sun Valley Planning and Zoning Commission that the Idaho Fish and Game Department could have bid on the land in 1972 when it was auctioned by the State Lands Board. The land was purchased by Elkhorn and then by the Reiss family. It was zoned for residential development. "Is it practical now," Elkhorn Planner Doug Clemens asked, "to have an elk reserve in the city?"

The original land purchase price, according to state records, was $510,000. June Day lots sold for an average price of $65,000. The total June Day project should gross approximately $4.3 million.

Owner Alice Reiss, however, is hurt by accusations that she is destroying an area resource out of greed. "People who have known me know I care about animals and the environment inordinately," she said. As proof of her concern, Reiss offered to set up a winter feeding program for the Elkhorn herd so that it would not have to be moved. But she never followed through on her offer. An elk feeding program was never mentioned in the city council's final approval of the subdivision.

Although Sun Valley city councilmembers, most of whom are in the real estate business themselves, expressed regret over the effect on the elk herd, they approved the development plan two years ago. The city's master plan does not address itself to the protection of wildlife, then-Mayor Winton Gray observed. "I don't know if we can hold up the developer or not," he said. "Everything seems to be in order."

In an unusual alliance of sheep rancher with environmentalists, local sheepman John Peavy made one last effort to save the elk. He sued Elkhorn for a prescriptive livestock easement through the June Day subdivision. Peavey hoped the trail would leave room for sheep to move from summer to winter pastures, while at the same time preserving a feeding ground for the elk.

Peavey won his easement. But it wasn't large enough to provide adequate feeding ground for the elk.

Attractive carved signs are now up, directing buyers and builders to the June Day subdivision at Elkhorn. The signs feature elk antlers, a symbol which is predominant throughout the resort development.

— Jeanette Germain

Line Reference Target

Western Roundup

Idaho users get new twist on electric bills

Taking a bold step to spur energy conservation, the Idaho Public Utility Commission has adopted a new rate structure that will charge residential customers more money as their electricity use increases.

Up until now, Idaho residents have been billed $4.91 and a flat energy charge of 2.577 cents per kilowatt-hour for all of the electricity they could use. But times have changed, said Idaho PUC President Perry Swisher in Boise, and conserving electricity is necessary to sustain a healthy power grid in the state.

Starting this month, Idaho residents will be charged $6 per month and a sliding scale for energy rates, ranging from 2.4 cents for the first 600 kilowatt hours, to 3.539 cents for anything over 1,200 a month.

The PUC also decided to flatten the rates charged for irrigation and commercial customers, who until now enjoyed a declining rate that billed them less, per hour, the more juice they used.

An inverted rate similar to that for residences was not adopted, despite lobbying from the Idaho Citizens Coalition, because of the economic hardship such a drastic change would have on businesses. But, said Swisher, that reform is probably inevitable sometime in the near future.

The compromised reforms nonetheless drew fire from one Idaho utility, the Idaho Power Co. The inverted rates won't prompt energy conservation, James Bruce, president of Idaho Power, told the **Idaho Statesman**. Rather, it will foster new waste as users see initially smaller utility bills each month. The company says it will lose $2 million in revenues this year.

The PUC has stood firm, however, arguing that 98 percent of the state's residential customers now use more energy than the base rate of $6 covers (the exception, and one target of the reform rate, is vacation homes), and that a third of the customers are using over two-thirds of the energy at levels of more than the 1,200 kilowatt-hours per month.

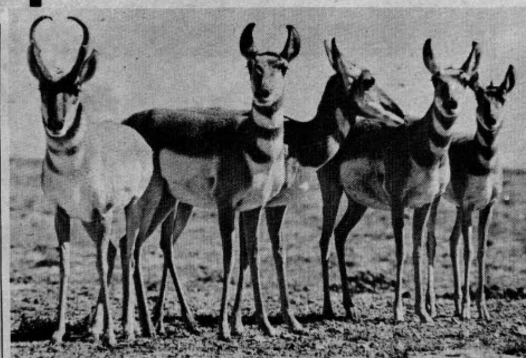
The impetus to save, said Swisher, will be clear. Other states adopting inverted rates have seen substantial use drops, said Tom Power, a professor and energy consultant with the University of Montana in Missoula.

The PUC's move was prompted by a 26 percent rate increase requested by Idaho Power in March, 1980 — increases the commission said were becoming a "semi-annual event."

The days of cheap hydroelectric energy are over Idaho. Facing rapid energy growth, the state is turning to coal-fired plants. Idaho Power has built three plants since 1978 at a cost of $190 million, with several more plants nearing completion or being considered.

New energy consumption simply means more plants and higher bills, said Swisher, and "it's time to conserve."

Wyoming wild beast study gets energy dollars



Robert Hilgenfeld

The Wyoming Wildlife Federation and the Overthrust Industrial Association were on the verge of an agreement this week on a plan to study wildlife problems created by the oil and gas boom in the Overthrust Belt.

The agreement appeared to defuse a threatened lawsuit by the National Wildlfie Federation, though oil company sources insisted the plan was not designed to avert a court battle.

The OIA represents 36 companies involved in oil and gas development in the Evanston, Wyo., area. WWF sources estimated the plan would cost about $300,000.

The National Wildlife Federation had contended that an environmental assessment written by the U.S. Bureau of Land Management on two natural gas "sweetening" plants under construction in the Evanston area did not adequately address their impact on wildlife in southwest Wyoming.

The agreement followed several weeks of dispute over whether the study would be conducted by the Wyoming Game and Fish Department. The Federation favored putting the work in the hands of the state agency; the oil companies were dissatisfied with a Game and Fish proposal.

The final version, according to Federation and OIA representatives, follows in part the outline presented by Game and Fish but will be put out for competitive bids to researchers.

"The oil companies want to make it their study," said Ron Smith, one of the negotiators for the WWF. But Smith expressed satisfaction that wildlife advocates would get the kind of study they were after.

Dale Strickland, of Wyoming Game and Fish, was a little less enthused. "A wildlife study funded and administered by the oil and gas industry will not solve the problems the Federation is concerned about," he said. Though the OIA has invited Wyoming Game and Fish to bid for the work, Strickland said the agency normally didn't compete for contracts offered by industry.

Utah Gov. agrees to share dam costs

New congressional proposals requiring states to pay a larger share of the federal water projects bill are gaining support.

Testifying before the Senate water resources panel last month, Utah Gov. Scott Matheson (D) said a plan to charge states 25 percent of construction costs for federal projects was a "bold, audacious" step towards reforming federal water policy.

The scheme, contained in a new bill introduced by Sens. Pete Domenici (R-N.M.) and Daniel Patrick Moynihan (D-N.Y.), also received general support from the National Governors Association, the Sierra Club, and, with some hesitancy, the Reagan administration.

"We expect to move toward joint financing," said Assistant Interior Secretary Garrey Carruthers, a former agricultural economics professor from New Mexico. The more a state can pay, he said, the more likely it will be that the administration will approve federal funding.

The biggest problem for the administration in formulating new water policies may be to differentiate its proposals from those of the Carter administration. Addressing a Montana water conference last April, Guy Martin, Carruthers' predecessor in the Interior Department, said Reagan's water project budget was no larger, and in some cases smaller, than the Carter administration's unpopular "hit list" budget.

"Although the political climate may be sweeter and the rhetoric gentler, the actual results of the (Reagan) budget proposals are surprisingly consistent with trends toward substantially reduced federal investment," he said. Cost sharing was also a key feature of Carter's policy reform efforts.

Gov. Matheson also supported a proposal to head a new water policy board with a presidentially appointed independent chairman, rather than the Reagan administration's plan to make Interior Secretary James Watt the new water policy czar.

There's a "healthy attitude" nationally for water policy reform, he said, and it's time to "strike while the iron is hot."

hotline

WHITHER WEATHERIZATION?

Would the Republican budget cut out federal aid for insulating the homes of the poor? In the aftermath of the budget's cut-and-paste passage through the House last week, no one is sure. The Energy Conservation Coalition claimed the repeal of insulation aid snuck into the housing section of the bill; bill supporters said another section of the bill may revive the program, and also pointed to the availability of block grants to the states for insulation aid. If the coalition is right, $182 million in insulation has just been tossed out the window. There is still a chance, however, that the Senate budget bill, which did not make the insulation cut, will prevail in an upcoming House-Senate budget conference.

RIVER POWER DROUGHT

Idaho Power Co. officials are blaming increased irrigation and low Snake River flows for their inability to meet electricity demands this summer. Power to the company's phosphate-producing customers in southeastern Idaho, Monsanto and FMC Corp., is being severed and other cutbacks are possible. The shortage, Idaho Power says, illustrates its need to supplement hydroelectric plants with new coal-fired facilities.

TAKING A POWDER

The Interior Department announced last month a federal coal-leasing target for Wyoming's Powder River Basin of 1.4 to 1.5 billion tons, a "mid-range" target that some feel Interior may go beyond. But a recent study by the Office of Technology Assessment concluded that existing leases could easily fulfill demand for the region's coal and Sen. John Melcher (D-Mont.) wants to know how OTA and the Interior's regional planning team could see things so differently. He plans hearings in Montana, reports **Coal Week**, which will also explore "diligent development" requirements on federal coal leases.

SCRUBBING SCRUBBERS

The Reagan administration, looking for ways to ease up regulations on power producers, is considering a change in pollution standards for coal-fired power plants that could do some damage to the burgeoning "scrubber" industry. The Reaganites would like to end the rule that now makes scrubbers — expensive pieces of equipment that remove sulfur dioxide from coal emissions — mandatory. Originally, the Environmental Protection Agency wanted to knock out scrubbers and keep SO2 standards at their present level. But pressure from politicians from the eastern coal fields — who fear that western coal, with its lower sulfur dioxide, might take over their markets if scrubbers were made optional — forced the administration to consider lowering the present SO2 standard, effectively weakening western coal's advantage.

SUPPORTING SCRUBBERS

In the West, meanwhile, the Idaho Power Co. has lost an attempt to build the Valmy coal-fired power plant in Nevada without installing a $36 million scrubber. The Ninth Circuit Court of Appeals in San Francisco ruled that

Water act hacked

Provisions in the federal Clean Water Act giving the U.S. Army Corps of Engineers regulatory control over wetlands have aroused Colorado realtors, and the industry is throwing its weight behind efforts to amend the law.

In a letter to the state's congressional delegation, the Colorado Association of Realtors blamed the Corps and the Environmental Protection Agency for using wetlands management as a maneuver to control land use.

The association cited cases throughout the West where the Corps is considering restricting new housing developments on wetlands, including manmade wetlands created by irrigation. Such "over-zealous" federal regulation is causing housing shortages, the association charged.

It's urging congressional members to amend the Clean Water Act to: restrict the definition of navigable waters to include only those used for transportation; eliminate the Corps' jurisdiction over manmade wetlands; and generally restrict federal management of non-navigable waters.

"I'm really optimistic we'll get the act amended, particularly since Watt (Interior Secretary James Watt) and Gorsuch (Environmental Protection Agency Administrator Anne Gorsuch) are westerners familiar with this problem," said Mary Thiel, governmental affairs director for the association in Denver.

The 15,000 member group will ask its affiliates in New Mexico, Utah and Wyoming to join its effort during a regional conference in Park City, Utah, July 28th, said Thiel. And the 720,000-member National Association of Realtors, she added, will put its 60 lobbyists to work for the amendments when Congress considers the issue later this summer.

Thiel said the association had gotten "favorable" responses from Colorado Sen. Bill Armstrong and Reps. Ray Kogovsek and Ken Kramer, all Republicans.

NPS

'Hot' beasts a natural act, says study

A five year study by the University of Wyoming on radioactivity in wild animals has concluded that animals living near uranium mines don't accumulate additional radioactivity.

The study was prompted by hunters concerned that animals near the mines might contain harmful amounts of radiation. What the researchers found may put hunters at ease, but more monitoring is needed, warned study director Garth Kennington, retired professor of Zoology at UW.

Contrary to expectations, carnivores showed a lower level of radiation than herbivores. This was attributed to the concentration of most radioactive material in animal bones, not generally consumed by carnivores. Herbivores, in contrast, eat plants containing high radiation levels. Thus the study concluded that radioactivity does not concentrate farther up the wildlife food chain.

According to Kennington, water is the main source of radioactive material found in animals.

Animals in or near Yellowstone National Park showed high levels of radiation, which the researchers attributed to natural hot springs and geysers that bring radioactive minerals up from deep in the earth. A new study on water, soil, vegetation and carcasses in the park — where trumpeter swan eggs have shown a higher than normal amount of radiation — is being planned.

The study examined both active and inactive tailings sites in Wyoming and concluded that they pose no noticeable threat to wildlife.

But that conclusion is misleading, said Bruce Hamilton, Northern Plains representative of the Sierra Club.

"The impact happens in ways other than radiation," said Hamilton, arguing that uranium mining also displaces wildlife, destroys vegetation, and often brings in poachers. The effects of radiation, he added often show up in reproductive problems even when an animal's level is low.

the 1978 federal pollution regulations applied to the plant even though construction had already begun. Idaho Power's reluctance to build in a scrubber — which it says will run up a $500 million maintenance bill over the plant's lifespan — may lead to a Supreme Court appeal.

MONTANA FEARS TAX REPAYMENT

After reading about a recent U.S. Supreme Court decision requiring Louisiana to refund $500 million plus interest from a state tax on natural gas to out-of-state consumers, Montana revenue experts did some quick calculating. They added up all the severance taxes paid on Montana coal under protest by coal companies and utilities, just in case the court ruled against them and similarly ordered them to pay back consumers. The result: If Montana had to pay back those protested taxes, it would break the bank. Companies have paid $165 million under protest; the coal tax trust fund has a March balance of about $75 million, reported the Associated Press.

EMERGENCY GRAZING

Livestock grazers in drought-threatened areas of Montana and the western Dakotas are being offered temporary, emergency grazing permits on national forests. The 15 forests in the agency's northern region have assessed their grazing capabilities, and permits will be granted in consideration of "other resources," including wildlife and recreation, the agency said.

WINDFALL RECALL

A group of oil and gas firms got heavyweight company recently in their fight to relieve Uncle Sam of windfall profits tax revenues collected over the past year. Louisiana and Texas, aided by the Mountain States Legal Foundation, have joined a suit challenging the constitutionality of the Windfall Profit Tax Act of 1980. The case — involving about $10 billion annually in taxes — is being heard by U.S. District Court Judge Ewing Kerr in Cheyenne, Wyo. The states claim they are being deprived of revenues because the tax has forced oil companies to prematurely shut down marginal wells. Plaintiffs also claim the tax is not applied equally to all states, because much of Alaska's oil is exempted.

MOON LAKE GETS NOD

Bureau of Land Management Director Bob Burford has approved several rights-of-ways for the Moon Lake Power Plant Project near Bonanza, Utah. In approving the land uses — including several railroads, pipelines and transmission lines running from the plant to associated coal mines and power substations — Burford rejected several alternatives to the Moon Lake project outlined in a final environmental impact statement.

BOISE MINERALIZES

Boise Cascade Corp., in announcing Bernard Guarnera as its new mineral resources manager, says it is bent on a new drive to explore and develop minerals on its 3.1 million acres of timberlands. The firm is encouraged by the success of its southern branch, which turned a profit last year by producing oil in addition to marketing timber.

barbed wire

For crown and country. A Swiss wildlife group reports that 600 Canadian brown bears gave their lives to provide bearskin helmets for the cavalry at Prince Charles and Lady Diane Spencer's wedding later this month. The browns may have the wedding bell blues, but Buckingham Palace sniffed that they were merely "pests." Prince Philip, Charles's father, is head of the World Wildlife Fund.

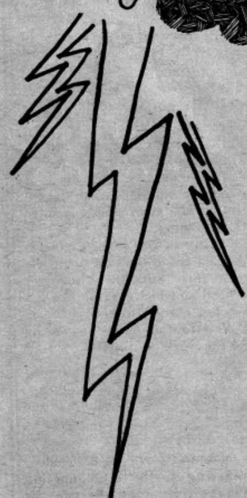
"We've made a silk purse out of a sow's ear," said Mike Hogan after he turned a historic Rifle, Colo., livestock auction barn into a nightclub. The business' new name in this town now dominated by oil shale workers: The Cattle Co.

Apocalypse now: The **Missoulian**, reprinting an article by the New York Times News Service on evangelical Christians forming an environmental group that will trumpet scriptural support for protecting the environment, printed the following:

"Many of the participants expressed the belief that the movement must avoid the debate over evolution, which they felt had distracted evangelicals by turning their attention away from caring for the world as it **exits**."

Montana Gov. Ted Schwinden, reacting to the U.S. Supreme Court's upholding of the state's 30 percent coal severance tax, said, "I'm tempted to shout to the world, 'The good guys won,' but the real winners are the people of Montana. " Aren't they good guys, too, Ted?

A scheduled lot auction last month near Laramie, Wyo., was nearly cancelled when the developer noticed the blueprints for his scheme had roads running through rock outcroppings and other "natural obstacles." The mistake, which the developer said he'd correct by moving the roads to avoid "unnecessary environmental damage," was apparently the environment's fault, anyway: The surveys were done last winter, on top of several feet of snow. So if you like snow and twisting roads, start bidding...



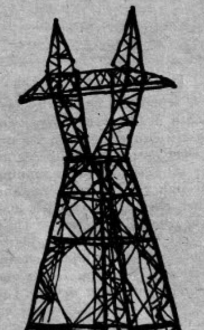
Power rules inhibit people power

by Michael Moss

When James Howell of Boise stepped before the Idaho Water Resources Board last month with his grand hydroelectric power scheme, it took the board members only a few minutes to reject his plan and usher him out the door.

It wasn't the size of Howell's $3.3 million, 15 megawatt plan that bothered the board. Rather, the members felt that the low-interest bonds they were doling out that day were expressly earmarked for irrigation projects, not power generation.

Had Howell won the loans, however, his next turn through the regulatory maze would have required far more patience. He would need a contract with the local power utility to sell the juice his generators would turn out. The local utility, Idaho Power Co., is anything but an eager buyer.



The schemes Howell and thousands of others throughout the country are dreaming up, whether they involve hydroelectric, solar, geothermal or industry-cogenerated power, could collectively cause utilities economic pains. Creating electricity is the lucrative part of the utility business. The utilities' other task — distributing the power — is rarely a money-maker.

CONTRACT HANG-UPS

Howell's scheme would probably stall when he approached Idaho Power. Both sides would call in the contract lawyers. Negotiations would get hung up on a host of issues, complex and arguable — guarantees his generators won't short circuit the power grid, penalties if his turbines temporarily stop turning, and, most debatable, the price the utility will pay for his electricity.

A federal law passed in 1978 was designed to save Howell much trouble. Called by its acronym, PURPA, the Public Utility Regulatory Policies Act attempted to take from the utilities their exclusive right to generate and sell power.

Three years after its enactment, PURPA is still trumpeted by solar and other renewable energy advocates as the cornerstone to a small-scale decentralized power future. But before even the most basic construction of such an energy future can begin, PURPA has serious problems to overcome.

The heralded law has been thrown out by a Mississippi court as unconstitutional. It has been challenged in Washington, D.C., courts as unfair to utilities. There's new congressional legislation to turn it upside down. It has been ignored by more than half the states.

In short, there's reason to wonder when — as solar advocates like Dick Munson of the Solar Lobby predict — PURPA will "be a gigantic boost to small power producers." And when Harold Leibowitz of the Center for Renewable Resources argues,"let the damn thing work a little bit," some critics stamp their feet impatiently.

PURPA, if the utilities have their way — as it now looks they will — simply will not work.

SLEEPING OUT WEST

As its full name implies, PURPA took on a battery of utility regulatory issues. It wrote new rules for rate structure and utility service reforms. It created a new licensing procedure for a West to East Coast pipeline. There are provisions to study electric rates by a new investigative institution.

To renewable energy advocates, however, the heart of PURPA is buried in Title II sections 201 and 210. Those parts require utilities to interconnect with small power producers and to purchase excess power from them at reasonable rates.

There's some dispute over why these parts of PURPA were enacted. Denver water lawyer John Huston thinks they may have been the brainstorm of eastern bankers and investors, on the lookout for good tax-exempt investments.

That conspiratorial theory is supported by the law's record to date. It has worked best in eastern states, and with projects most suitable for 10-year, $100,000 low-risk investments. Jim Wilfong, of the Boston-based Continental Hydroelectric Co., says his projects have real estate investors waiting in line to join.

Farther west, however, PURPA is sleeping soundly.

Under section 210, state utility commissions and large unregulated utilities were to set up procedures for implementing PURPA by March 20 of this year. That date swept right by some 27 states, all of which failed to complete such programs, some of which failed to even start.

Out west, only California has taken steps. In the Rocky Mountain region, only Idaho has truly gotten underway.

arget LRT-BE4-V2

The reason is twofold, said Tom Power of the University of Montana in Missoula. "Out here, utility commissions have almost no staff. And the staff they have can't play an advocacy role. So the commissions depend on interest groups, such as industrial consumers and irrigators. Only recently have consumer groups gotten involved. And environmentalists have yet "to join in."

Power has spent the last five years as a consultant, in touch with utility commissions throughout the West. He noted that public hearings before such boards are highly technical, painfully drawn-out, and very demanding for even the most energetic citizen activist.

Perry Swisher of the Idaho PUC said he has chaired many hearings observed solely by a handful of utility and industry lawyers. That corporate dominance in the public forum has some observers worried.

There are two fears. First, that utilities, both private and public, and large industries will take control of the small-scale energy field while PURPA and the public still sleeps. And second, that utilities' historic enthusiasm for creating excess electric generating capacity will frustrate PURPA's main objective — encouraging small scale projects to avoid nuclear, coal-fired, and other power plants with big economic and environmental costs.

ALL OR NOTHING

"Look," said congressional aide Hal Lacy, "you can choose between private investors or regulated utilities to start building these new small-scale energy projects." But take the former, he warned, "and you're going to get nothing. The high interest-rate market today is discouraging any private investments. And there's also a low level of expertise," among small producers.

The Arkansas Power & Light Co. has convinced Lacy's boss, Rep. Bill Alexander (D-Ark.), to introduce legislation giving utilities a greater role in small-scale generation. H.R. 2876 would amend PURPA to remove existing restrictions allowing utilities to own only up to 50 percent interest in such facilities, allowing them a full 100 percent ownership.

Also out to amend PURPA is Rep. Cecil Heftel (D-Hawaii), whose new bill, H.R. 2992, would up the definition of small power producers from an upper production limit of 80 megawatts to 165 megawatts. (The giant wind machines the Department of Energy is building near Cheyenne, Wyo., will produce less than five megawatts.)

Heftel's bill would also remove barriers placed by the Powerplant and Industrial Fuel Use Act of 1978, which restrict "small" power producers using oil and gas from reaping the benefits of PURPA.

Power producers, both large and small, have one overriding concern: how much money they'll receive for their electricity. To encourage small-scale, renewable energy production, PURPA stipulated that utilities must buy power from private producers at "just and reasonable" rates. The law then further defines such rates as a utility's "avoided costs" — that is, the amount the utility would have had to spend to produce the same amount of power.

Since utilities today still concentrate on building coal-fired and other expensive power plants, the cost they're avoiding could be quite high. The most sizable avoided cost rate has been set at 8.2 cents per kilowatt-hour by the New Hampshire PUC.

Although generally more economical, solar and other renewable energy systems typically produce electricity today in roughly the 2-4 cents a kilowatt-hour range. A small scale project, at least during the initial payback period, will sink into the red if an avoided cost rate is set below the break-even point. Too low a rate, and the investors' interest is effectively squelched.

Squabbling over the avoided cost rate has dominated the state PURPA rule-making proceedings thus far. It's also the target of a lawsuit filed in Washington, D.C., appeals court by three major utilities, including the Colorado-Ute Electric Association.

In contrast to the Mississippi case (which has gone to higher courts on appeal), the Washington suit does not contest the legality of PURPA, but rather the rules the Federal Energy Regulatory Commission has set up to implement it. The utilities are arguing in part that a full avoided cost rate is simply unfair.

MORE THAN NEEDED

Evidence to justify the second fear — that PURPA may in effect encourage excessive electrical generation — is more theoretical.

This worry is grounded in another PURPA provision known as "simultaneous buy and sell." Using this potential windfall scheme, an industry that is co-generating energy could sell all of its energy at an avoided cost rate, say, five cents a kilowatt-hour, and then buy back the portion it needed to run its operation at the utility's lower sell rate, say two cents a kilowatt. (The sell rate may be lower than the avoided cost rates because a utility's existing generating facilties are likely to be cheaper than what it would cost to build new facilities.) There would be a net gain of three cents per hour, which, in a 165 megawatt facility, would translate into $495,000 profit each year.

Taken to extremes, the whole power system could take on new complexities, with bizarre permutations. Bruce Coles of the Denver-based Colorado Energy Advocacy Office has visions that the "buy-back opportunity itself may help drive the creation of new energy demands."

In an industrial flip-flop, companies may start processing phosphorus (or, even more interestingly, oil shale) incidentally to the operation's cogenerating ability. Up would go residential and other user rates, and the utilities' already precarious financial footing would be worsened.

PATIENCE

Again, though, that's all theory, and perhaps best left to conspiracy buffs. But meanwhile, decisions are being made in the courts and Congress and state PUC hearing rooms that will do much to shape the future of small-scale power generation.

Renewable energy advocates including Leibowitz are opposing the Heftel and Alexander bills. Give the law time to work as it is, they argue.

The University of Montana's Power remains ambivalent about PURPA, but feels strongly that "given the character of the game, what's clearly needed is technical expertise, from universities and other institutions."

Idaho PUC's Swisher would like to see more public involvement.

SYNFUELS : BOON OR BOONDOGGLE?

Plan to attend a conference in your area that will address a range of specific topics including the need for a synthetic fuels industry, alternatives to synfuels, government subsidies of the industry and our energy future.

EXPERTS PRESENTING THEIR VIEWS INCLUDE:

Michael Koleda executive director of the National Council on Synthetic Fuels Production.

Jonathan Lash president of the Energy Conservation Coalition and staff attorney for the Natural Resource Defense Council.

Dr. Tex Sample theologian from St. Paul's School of Theology.

Friday, July 17
5:30p.m.
CLEAR CREEK GRADE SCHOOL
58 N. ADAMS AVENUE
BUFFALO, WYOMING

Saturday, July 18
2:00p.m.
CONVERSE COUNTY HIGH
EAST HAMILTON
DOUGLAS, WYOMING

Sponsored by the Wyoming Church Coalition, Converse County League of Women Voters and the Powder River Basin Resource Council.

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A Genuine Mexic

from "Roughing It"

by Mark Twain

I resolved to have a horse to ride. I had never seen such wild, free, magnificent horsemanship outside of a circus as these picturesquely clad Mexicans, Californians, and Mexicanized Americans displayed in Carson streets every day. How they rode! Leaning just gently forward out of the perpendicular, easy and nonchalant with broad slouch-hat brim blown square up in front, and long riata swinging above the head, they swept through the town like the wind! The next minute they were only a sailing puff of dust on the far desert. If they trotted, they sat up gallantly and gracefully, and seemed part of the horse; did not go jiggering up and down after the silly Miss-Nancy fashion of the riding schools. I had quickly learned to tell a horse from a cow, and was full of anxiety to learn more. I resolved to buy a horse.

While the thought was rankling in my mind, the auctioneer came scurrying through the plaza on a black beast that had as many humps and corners on him as a dromedary, and was necessarily uncomely; but he was "going, going, at twenty-two! — horse, saddle and bridle at twenty-two dollars, gentlemen!" and I could hardly resist.

A man whom I did not know (he turned out to be the auctioneer's brother) noticed the wistful look in my eye, and observed that that was a very remarkable horse to be going at such a price; and added that the saddle alone was worth the money. It was a Spanish saddle, with ponderous tapidaros, and furnished with the ungainly sole-leather covering with the unspellable name. I said I had half a notion to bid. Then this keen-eyed person appeared to me to be "taking my measure"; but I dismissed the suspicion when he spoke, for his manner was full of guileless candor and truthfulness. Said he:

"I know that horse — know him well. You are a stranger, I take it, and so you might think he was an American horse, maybe, but I assure you he is not. He is nothing of the kind; but — excuse my speaking in a low voice, other people being near — he is, without the shadow of a doubt, a Genuine Mexican Plug!"

I did not know what a Genuine Mexican Plug was, but there was something about this man's way of saying it, that made me swear inwardly that I would own a Genuine Mexican Plug, or die.

"Has he any other — er — advantages?" I inquired, suppressing what eagerness I could.

He hooked his forefinger in the pocket of my army shirt, led me to one side, and breathed in my ear impressively these words:

"He can out-buck anything in America!"

"Going, going, going — at twenty-ty-four dollars and a half, gen —"

"Twenty-seven!" I shouted, in a frenzy.

"And sold!" said the auctioneer, and passed over the Genuine Mexican Plug to me.

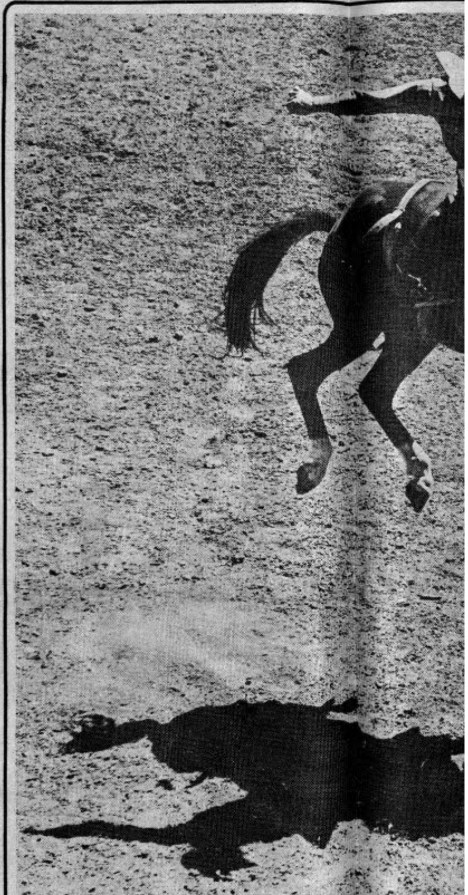
I could scarcely contain my exultation. I paid the money, and put the animal in a neighboring livery stable to dine and rest himself.

In the afternoon I brought the creature into the plaza, and certain citizens held him by the head, and others by the tail, while I mounted him. As soon as they let go, he placed all his feet in a bunch together, lowered his back, and then suddenly arched it upward, and shot me straight into the air a matter of three or four feet! I came as straight down again, lit in the saddle, went instantly up again, came down almost on the high pommel, shot up again, and came down on the horse's neck — all in the space of three or four seconds. Then he rose and stood almost straight up on his hind feet, and I, clasping his lean neck desperately, slid back into the saddle, and held on. He came down, and immediately hoisted his heels into the air delivering a vicious kick at the sky, and stood on his fore feet. And then down he came once more, and began the original exercise of shooting me straight up again.

The third time I went up I heard a stranger say: "Oh don't he buck, though!"

While I was up, somebody struck the horse a sounding thwack with a leathern strap, and when I arrived again the Genuine Mexican Plug was not there. A Californian youth chased him up and caught him, and asked if he might have a ride. I granted him that luxury. He mounted the Genuine, got lifted into the air once, but sent his spurs home as he descended, and the horse darted away like a telegram. He soared over three fences like a bird, and disappeared down the road toward the Washoe Valley.

I sat down on a stone with a sigh, and by a natural impulse one of my hands sought my forehead, and the other the base of my stomach. I believe I never appreciated, till then, the poverty of the human machinery— for I still needed a hand or two to place elsewhere. Pen cannot describe how I was jolted up. Imagination cannot conceive how disjointed I was — how internally,



There's no explaining why people are drawn in la
cle of a person getting on a big four-legged animal t
to get him off; nor, for that matter, why any person w
in such a situation.

But every year it happens, all over the region. An
at the local fair grounds are full, despite a hot sun,
and fury of angry animals.

Some sensible horses just stand in the chute, refu
get invited back. Others seem to take pleasure in se
— as Mark Twain (Samuel Clemens) describes in

For those who want a taste of rodeo this summer,
of events around the region:

The Wild Horse Stampede, Wolf Point, Mont. July 10
The Heart of the Rockies Little Britches Rodeo, Salid
Frontier Days, Cheyenne, Wyo., July 17-26;
The Snake River Stampede, Treasure Valley, Idaho,
The Days of 47 Rodeo, Salt Lake City, July 24;
The Last Chance Stampede, Helena, Mont., July 23-2
The Annual Dinosaur Roundup, Vernal, Utah, July 3
Navajo Trails Fiesta, Durango, Colo., July 31-Aug. 9;
Famous Preston Night Rodeo, Preston, Idaho, July 3
1981 National High School Finals, Douglas, Wyo., Ju

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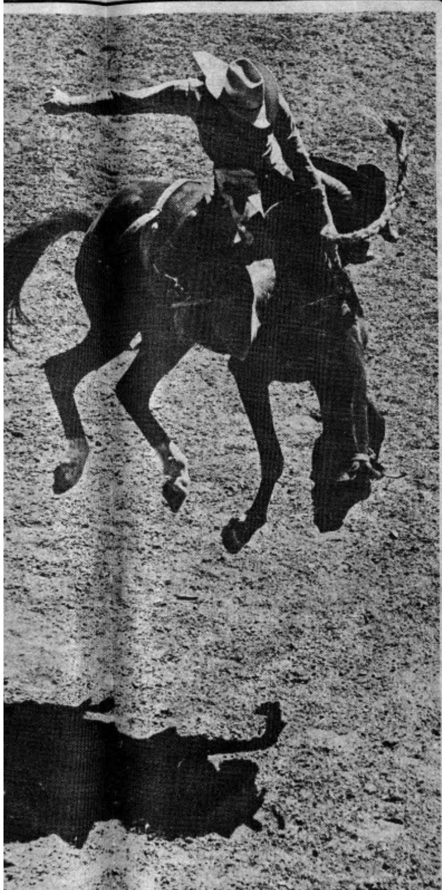
ne Mexican Plug



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taste of rodeo this summer, here is a partial listing
gion:

tampede, Wolf Point, Mont. July 10-12;
Rockies Little Britches Rodeo, Salida, Colo., July 17-19;
eyenne, Wyo., July 17-26;
Stampede, Treasure Valley, Idaho, July 14-18;
odeo, Salt Lake City, July 24;
Stampede, Helena, Mont., July 23-26;
saur Roundup, Vernal, Utah, July 31;
sta, Durango, Colo., July 31-Aug. 9;
Night Rodeo, Preston, Idaho, July 30-31;
h School Finals, Douglas, Wyo., July 27-Aug. 2.

externally, and universally I was unsettled, mixed up, and ruptured. There was a sympathetic crowd around me, though.

One elderly-looking comforter said:

"Stranger, you've been taken in. Everybody in this camp knows that horse. Any child, any Injun, could have told you that he'd buck; he is the very worst devil to buck on the continent of America. You hear me. I'm Curry. Old Curry. Old Abe Curry. And moreover, his is a simon pure, out-and-out, genuine d—d Mexican plug, and an uncommon mean one at that, too. Why, you turnip, if you had laid low and kept dark, there's chances to buy an American horse for mighty little more than you paid for that bloody old foreign relic."

I gave no sigh; but I made up my mind that if the auctioneer's brother's funeral took place while I was in the territory I would postpone all other recreations and attend it.

After a gallop of sixteen miles the Californian youth and the Genuine Mexican Plug came tearing into town again, shedding foam-flakes like the spume-spray that drives before a typhoon, and, with one final skip over a wheelbarrow and a Chinaman, cast anchor in front of the "ranch."

Such panting and blowing! Such spreading and contracting of the red equine nostrils, and glaring of the wild equine eye! But was the imperial beast subjugated? Indeed, he was not. His lordship the Speaker of the House though he was, and mounted him to go down to the Capitol; but the first dash the creature made was over a pile of telegraph-poles half as high as a church; and this time to the Capitol — one mile and three-quarters — remains unbeaten to this day. But then he took an advantage — he left out the mile, and only did the three-quarters. That is to say, he made a straight cut across lots, preferring fences and ditches to a crooked road; and when the Speaker got to the Capitol he said he had been in the air so much he felt as if he had made the trip on a comet.

In the evening the Speaker came home afoot for exercise, and got the Genuine towed back behind a quartz-wagon. The next day I loaned the animal to the Clerk of the House to go down to the Dana silver mine, six miles, and he walked back for exercise, and got the horse towed. Everybody I loaned him to always walked back; they never could get enough exercise any other way. Still, I continued to loan him to anybody who was willing to borrow him, my idea being to get him crippled, and throw him on the borrower's hands, or killed, and make the borrower pay for him. But somehow nothing ever happened to him. He took chances that no other horse ever took and survived, but he always came out safe. It was his daily habit to try experiments that had always before been considered impossible, but he always got through. Sometimes he miscalculated a little, and did not get his rider through intact, but he always got through himself. Of course I had tried to sell him; but that was a stretch of simplicity which met with little sympathy. The auctioneer stormed up and down the streets on him for four days, dispersing the populace, interrupting business, and destroying children, and never got a bid — at least never any but the eighteen-dollar one he hired a notoriously substanceless bummer to make. The people only smiled pleasantly, and restrained their desire to buy, if they had any. Then the auctioneer brought in his bill, and I withdrew the horse from the market. We tried to trade him off at a private vendue next, offering him at a sacrifice for second-hand tombstones, old iron, temperance tracts — any kind of property. But holders were stiff, and we retired from the market again. I never tried to ride the horse any more. Walking was good enough exercise for a man like me, that had nothing the matter with him except ruptures, internal injuries, and such things. Finally I tried to give him away. But it was a failure. Parties said earthquakes were handy enough on the Pacific coast — they did not wish to own one. As a last resort I offered him to the Governor for the use of the "Brigade." His face lit up eagerly at first, but toned down again, and he said the thing would be too palpable.

Just then the livery-stable man brought in his bill for six weeks' keeping — stall-room for the horse, fifteen dollars; hay for the horse, two hundred and fifty! The Genuine Mexican Plug had eaten a ton of the article, and the man said he would have eaten a hundred if he had let him.

I will remark here, in all seriousness, that the regular price of hay during that year and a part of the next was really two hundred and fifty dollars a ton. During a part of the previous year it had sold at five hundred a ton, in gold, and during the winter before that there was such scarcity of the article that in several instances small quantities had brought eight hundred dollars a ton in coin! The consequence might be guessed without my telling it: people turned their stock loose to starve, and before the spring arrived Carson and Eagle Valleys were almost literally carpeted with their carcasses! Any old settler there will verify these statements.

I managed to pay the livery bill, and that same day I gave the Genuine Mexican Plug to a passing Arkansas emigrant who fortune delivered into my hand. If this ever meets his eye, he will doubtless remember the donation.

Now whoever has had the luck to ride a real Mexican plug will recognize the animal depicted in this chapter, and hardly consider him exaggerated — but the uninitiated will feel justified in regarding his portrait as a fancy sketch, perhaps.

Severance taxes...

(continued from page 1)

ones now based largely on the extraction of non-renewable resources have been practically nil.

TWO PURPOSES

Severance taxes, as originally conceived, have two broad purposes. First, they were intended to help offset the costs of the mineral boom by providing capital for roads, sewers, hospitals and other services that are strained when a large population influx hits a small community. Second, about half of the mineral taxes in both Wyoming and Montana are placed in a permanent mineral trust fund. These trust funds are invested "for the benefit of future generations." They are intended to provide a capital base to replace income from energy minerals when these resources run out.

Currently, Wyoming has about $214 million in its permanent mineral trust fund and Montana's permanent coal trust fund has about $75 million. A separate Montana permanent fund, which is created by taxes on all other minerals in the state, contains about $10 million.

Wyoming expects severance tax collections on all minerals to quadruple between 1981 and 1985 from $137.9 million to $549.1 million. Montana expects increases in severance tax revenues from about $80 million in 1981 to $128.7 million by 1983.

There has been very little criticism of the states' impact assistance programs. Wyoming sets a different tax rate for each mineral produced and distributes the income from each mineral differently. The largest revenue producers are oil, gas and coal. Oil and gas are taxed at six percent of the wellhead price, while stripper crude — from wells producing less than 10 barrels a day — is taxed at four percent. As mentioned before, total taxes on coal amount to about 17.5 percent, 10.5 percent being strictly a "severance" tax.

Half the money from oil and gas production goes into the state general fund, which pays for the ordinary operations of state government. The other half goes to the permanent mineral trust fund. All of the stripper well income goes to the latter account.

With coal-generated revenues, the situation is more complex. Of the 10.5 percent total, two percent goes to the general fund; 2.5 percent to the mineral trust fund; 1.5 percent to the capital facilities revenue account, which helps fund capital construction; 2 percent to the coal tax revenues account, which is the main impact assistance account to areas affected by energy development; 1.5 percent to the water development account and one percent to the highway fund.

In Montana, half the revenue from the 30 percent coal tax goes to permanent coal trust fund, also known as the constitutional trust fund; 19 percent to the general fund; 2.5 percent to grants for alternative energy research and demonstration; 2.5 percent for park and cultural development; 5 percent to a foundation program; 8.75 percent to local trust funds; 10 percent to an education trust fund; 1.25 percent to renewable resources; 0.5 percent to libraries; and 0.5 percent to county land use planning.

Most of the programs in both states funded by mineral severance taxes either directly or indirectly aid areas adversely affected by energy development. There has been considerable debate over exactly what an impacted area is, as more and more counties and towns have eyed the growing pile of money and angle for a share. No one, however, has seriously criticized the need for the impact assistance programs.

It is the permanent trust funds that are skeptically eyed by utility bill payers in other states.

INVESTMENT

A thorny issue arises in the investment of the mineral trust funds. The principle of both Wyoming and Montana is that the proceeds of the funds shall be "inviolate" and may not be drawn upon for the ordinary operations of the state. They can be lent out or spent with the approval of the legislature, however. Interest income generated by the funds is put in the general fund.

The principles guiding those who invest the funds — in Montana, the Board of Investments, in Wyoming, the State Treasurer — is to gain maximum return on investment while having only the safest types of investment. In practice this has meant buying either federal government bonds or highly rated corporate bonds that bring little direct benefit to the people of state, except by providing interest income — about 10 percent of capital in 1980 for both states — to the general fund.

MORE FOR MONTANA

Montana State Sen. Thomas Towe said, "We can do more for Montana people by using that fund in Montana. For instance, within the state, there isn't adequate capital for small businesses or adequate equity capital for business and agriculture." Towe introduced a bill in the last session of the legislature which would have authorized the investment of all state permanent funds (other than retirement funds) in Montana, if the investment could be secured, even if it means two percent less income to the general fund.

Towe is joined in his argument by Montana Senate Minority Leader Daniel Kemmis (D), who said, "Of the corporations whose bonds have been purchased by the fund, almost none are Montana corporations. The issue... is whether the state's fiduciary obligations to future generations would be better served by an investment policy which returned a lower rate of interest but channeled more of the money into the Montana economy."

"Maybe — like the Chrysler Corp. — towns that can't support themselves for a while ought to die, too."

The people actually doing the investing defend the current practices. They are forced by Montana law, at least in part, to adopt a fairly conservative investment strategy. State statutes require the purchase of highly-rated corporate bonds, federal government bonds or mortgages. James Howeth, investment officer for the division of investments said, "It's a little hard to define what 'investing in Montana' is. Practically every corporation in existence does business here. They pay taxes, employ people, etc."

Towe argued, however, "Only about 14 percent of the money is used in Montana. The Board of Investment says, 'We invest in Safeway Stores and Exxon and they do business in Montana.' But even counting these kinds of investment, only about 40 percent are invested here."

Towe said that even with the current restrictions, the board has two avenues open to it that could make more money available to Montana small businesses, ranchers and farmers. These involve the buying back of federally-guaranteed Small Business Administration and Farmers Home Administration loans. With each purchase of a loan, the state effectively makes that much additional money available to area borrowers through commercial lenders. "And these loans are absolutely secured," said Towe.

Howeth said that the board has bought back some loans, but he didn't know how many. Towe contends that the legislature has instructed the board by resolution to do more of it, but the board has ignored them.

WYOMING'S DIRECTION

In Wyoming, by statute, the permanent mineral trust fund "shall be invested or loaned to political subdivisions of the state, only as the legislature may direct." The legislature has directed very little. Only two loans have been made to date, totalling only $23.5 million. One other, for $40 million, has been approved, but the project itself has not been.

According to State Treasurer Shirley Wittler, "There is no official policy on the investment of the mineral trust fund. The legislature does pay attention as they appropriate to cities, towns and highways. We (the treasurer's of-

Congress takes up the tax

With the Supreme Court's 6 to 3 decision upholding Montana's right to levy a 30 percent severance tax on coal, western coal producing states are half way home. Now they only need worry about congressional efforts to place a legislative ceiling on them.

The Senate intergovernmental relations subcommittee will hold hearings on July 15 and 16 on the general subject of the tax limitation. The court's action seems certain to increase pressure for a federal lid — usually pegged at 12.5 percent.

A spokesman for Sen. Dale Bumpers (D-Ark.) said, "It's only fair to limit severance taxes. The basic motivation behind the Commerce clause in the Constitution is a 'free trade zone,' which is the whole United States. The high severance taxes let one state burden interstate commerce and require taxpayers beyond the boundaries of the state to contribute much of the income to that state."

The Bumpers aide said that the committee will also look at the uses the tax is being put to. He said, "A measure of need for the tax is how it is used. If it is just tucked away in a savings account, that doesn't show much need."

Delegations from energy-producing states strongly oppose the limitation, but the consuming states have most of the votes.

Montana's analysis of the impact on consumers of the state's 30 percent coal severance tax shows that an average midwestern user of electricity generated by Montana coal pays only about 2 1 cents a month more on his energy bill because of the tax. Bumpers' office said, however, "The combined impact is quite great. There are a lot of other mineral-rich states that could do the same thing."

Many states already do, however. In a comparison of taxes assessed per (Btu) British thermal unit provided, Montana charges 9.97 cents per million Btu. Several oil producing states charge more than that, including Louisiana, 16.63 cents per million Btu; Oklakoma 12.58 cents; and New Mexico, 10.76 cents. Texas, the country's largest oil producer, gets 8.84 cents per million Btu.

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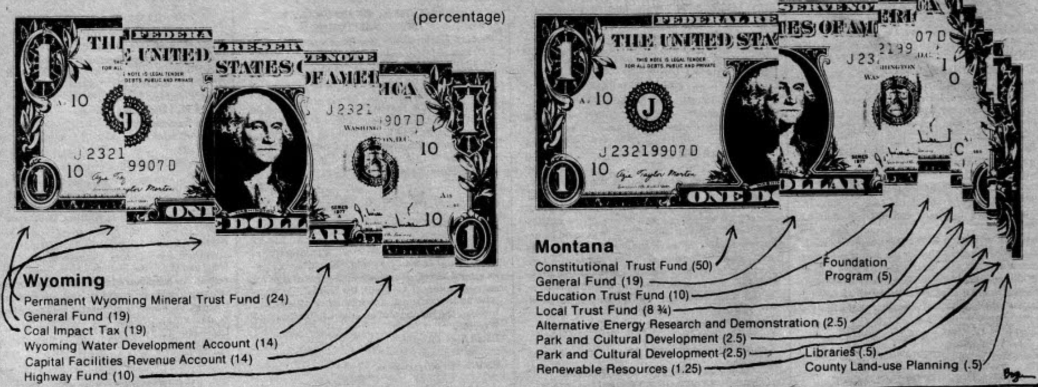
Severance Tax Distribution

(percentage)



fice) make the investment judgements on the funds that are not given out as loans. "We have to have a legislative act to invest directly in an impact area."

The criteria used for investment are: first, safety; second, return on investment; and, third, judgements on liquidity requirements.

The result is that, except for the loans to the government bodies mentioned above, nearly all of Wyoming's $214 million trust fund is invested in U.S. government securities and a small amount in AAA corporate bonds. Almost none of the money directly benefits the state economy, except in the form of interest returned to the general fund — about $12 million in 1980.

Wyoming's hoarding of its severance tax bonanza continued this year, despite the existence of the state's own Anaconda situation — the general collapse of the uranium industry in the state and the ensuing layoff of thousands of workers around the state. Gov. Ed Herschler (D) appointed a task force to look at the problem and the legislature went into loud laments over it, but they cut loose with not a single penny of severance tax money to help the local economies diversify. Nor has there been any noticeable interest in changing the policy.

Wittler, who was in the state legislature when the trust fund legislation passed, said, "My idea when I voted for it is that there should be something remaining for our children when the minerals are gone — a permanent mineral fund to earn interest to lighten the tax burden."

"It would be a lot easier to defend that severance tax against congressional ceilings if we were doing some smart things with it."

PRIORITY: WATER

The question remains regarding what sort of projects would be undertaken if severance tax money was made available. Inevitably, the first priority on everyone's list is water. In the only notable loosening of the vise grip to date, Montana has authorized $10 million from the coal trust fund to back revenue bonds for the repair of the Tongue River Dam in southeastern Montana, in the heart of energy development country. The dam repair is billed as an irrigation project. The money will not actually be taken from the fund, but simply used as security for the bonds.

And in Wyoming, the $40 million loan approved by the legislature awaits bureaucratic approval of the highly controversial Cheyenne water project, which will bring municipal water across the Continental Divide from the Little Snake River drainage, which is primarily a ranching area, to the state capital Cheyenne. Cheyenne's population has grown, but not as a direct result of energy development. The project is being vigorously opposed by ranchers in the drainage and environmentalists.

Finally, neither state seems to have any clear idea of exactly what it is holding all this money in perpetuity for, beyond the vague concept that it is for the "benefit of future generations." Montana's Kemmis said, "If there's one reason for difficulty, the states are becoming hooked on the interest from the trust fund, which amounts to intergenerational greed. Instead, we should expand the base and strengthen existing local economies without too much disruption, and try to diversify the base of local economies.

"The general idea of putting aside part for the future generations is entirely defensible, if we honestly devote ourselves to that task. We're only half-heartedly doing it for future generations — we've only utilized a portion of the trust fund concept."

Meanwhile, severance tax money, which is often defended as a vehicle for cushioning the "bust" when it comes, has already failed miserably in the face of two busts — the Wyoming uranium industry and Anaconda, Montana. One lobbyist working to protect the severance tax said, "It would be a lot easier to defend that severance tax against congressional ceilings if we were doing some smart things with it."

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STATE OF WYOMING

Financial Statements of Insurance Companies which are Authorized to do business in Wyoming. Published in High Country News May 15, 29; June 12, 26; July 10, 24, 1981.

DEPARTMENT OF INSURANCE
STATE OF WYOMING

World Life and Health Ins. Co. of Penna.
550 W. Dekalb Pike, King of Prussia, Penna. 19406
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$1,181
Gross Premiums Received	1,181
Direct Benefits and Losses Paid	-0-
Direct Benefits and Losses Incurred	-0-
Total Admitted Assets	1,745,708
Liabilities	1,732,079
Capital Stock Paid Up	-0-
Surplus	13,629
Income during year ending December 31, 1980	3,255,753
Expenditures for year ending December 31, 1980	3,191,996

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

World Book Life Insurance Company
P.O. Box 3476, Chicago, Illinois 60654
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$214,000
Gross Premiums Received	8,849
Direct Benefits and Losses Paid	165
Direct Benefits and Losses Incurred	147
Total Admitted Assets	60,983,128
Liabilities	55,285,401
Capital Stock Paid Up	1,540,000
Surplus	4,157,727
Income during year ending December 31, 1980	
Expenditures for year ending December 31, 1980	9,756,472

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Zurich American Life Insurance Company
231 North Martingale Road, Schaumburg, Illinois 60196
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$None
Gross Premiums Received	4,040
Direct Benefits and Losses Paid	1,668
Direct Benefits and Losses Incurred	1,800
Total Admitted Assets	22,209,980
Liabilities	16,543,297
Capital Stock Paid Up	1,100,000
Surplus	4,456,683
Income during year ending December 31, 1980	9,775,501
Expenditures for year ending December 31, 1980	9,060,562

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

World Insurance Company
203 South 18 Street, Omaha, Nebraska 68102
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$45,344
Gross Premiums Received	25,806
Direct Benefits and Losses Paid	77,200
Direct Benefits and Losses Incurred	53,409
Total Admitted Assets	97,892,414
Liabilities	89,442,044
Capital Stock Paid Up	-0-
Surplus	8,470,369
Income during year ending December 31, 1980	30,696,234
Expenditures for year ending December 31, 1980	29,662,095

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Yosemite Insurance Company
717 Market Street, San Francisco, California 94103
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Gross Premiums Received	$17,499
Losses Paid Deducting Salvage	-0-
Losses Incurred	3,432
Total Admitted Assets	44,264,144
Liabilities	31,569,545
Capital Stock Paid Up	2,100,000
Surplus	10,549,599
Income during year ending December 31, 1980	9,168,457
Expenditures for year ending December 31, 1980	6,996,848

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

York Insurance Company
209 North York Street, Elmhurst, Illinois 60126
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Gross Premiums Received	$-0-
Losses Paid Deducting Salvage	-0-
Losses Incurred	-0-
Total Admitted Assets	6,423,787
Liabilities	1,902,784
Capital Stock Paid Up	1,250,000
Surplus	3,271,003
Income during year ending December 31, 1980	2,017,710
Expenditures for year ending December 31, 1980	1,524,326

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Zurich Insurance Company
231 North Martingale Road, Schaumburg, Illinois 60196
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Gross Premiums Received	$121,555
Losses Paid Deducting Salvage	54,608
Losses Incurred	87,606
Total Admitted Assets	797,683,621
Liabilities	635,792,124
Statutory Deposit	600,000
Surplus	121,291,496
Income during year ending December 31, 1980	372,602,999
Expenditures for year ending December 31, 1980	359,978,367

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

World Service Life Insurance Company
Home Office: 7346-A South Alton Way, Suite 129, Englewood, CO 80112
Mailing: Post Office Box 1876, Fort Worth, Texas 76101
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$29,198,762
Gross Premiums Received	756,609
Direct Benefits and Losses Paid	259,234
Direct Benefits and Losses Incurred	251,182
Total Admitted Assets	283,077,499
Liabilities	275,548,354
Capital Stock Paid Up	1,250,000
Surplus	6,279,145
Income during year ending December 31, 1980	85,126,330
Expenditures for year ending December 31, 1980	79,567,950

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Western National Life Insurance Company
P.O. Box 871, Amarillo, Texas 79167
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$6,568,364
Gross Premiums Received	397,830.60
Direct Benefits and Losses Paid	140,090.66
Direct Benefits and Losses Incurred	None
Total Admitted Assets	279,887,671.58
Liabilities	268,608,790.99
Capital Stock Paid Up	1,500,000.00
Surplus	9,878,880.59
Income during year ending December 31, 1980	112,298,523.20
Expenditures for year ending December 31, 1980	112,060,241.69

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Western Reserve Life Assurance Co. of Ohio
201 Highland, Box 5068, Clearwater, Florida 33518
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$-0-
Gross Premiums Received	3,717
Direct Benefits and Losses Paid	4,905
Direct Benefits and Losses Incurred	-0-
Total Admitted Assets	89,466,991
Liabilities	82,613,996
Capital Stock Paid Up	1,200,000
Surplus	5,652,995
Income during year ending December 31, 1980	32,787,656
Expenditures for year ending December 31, 1980	32,351,942

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Western States Life Insurance Company
Box 2907, Fargo, North Dakota 58108
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$1,063,672
Gross Premiums Received	137,465
Direct Benefits and Losses Paid	71,063
Direct Benefits and Losses Incurred	22,053
Total Admitted Assets	118,084,440
Liabilities	106,711,500
Capital Stock Paid Up	1,790,484
Surplus	9,582,455
Income during year ending December 31, 1980	33,328,899
Expenditures for year ending December 31, 1980	31,404,401

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Western Surety Company
908 West Avenue North, Sioux Falls, SD 57192
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Gross Premiums Received	$256,007
Losses Paid Deducting Salvage	(4,664)
Losses Incurred	7,160
Total Admitted Assets	42,754,765
Liabilities	22,968,805
Capital Stock Paid Up	4,000,000
Surplus	15,785,960
Income during year ending December 31, 1980	22,371,479
Expenditures for year ending December 31, 1980	18,874,606

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all repects in compliance with the laws of the State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Westfield Insurance Company
Westfield Center, Ohio 44251
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Gross Premiums Received	$-0-
Losses Paid Deducting Salvage	-0-
Losses Incurred	-0-
Total Admitted Assets	125,956,727
Liabilities	82,991,689
Capital Stock Paid Up	1,500,000
Surplus	41,465,038
Income during year ending December 31, 1980	87,985,868
Expenditures for year ending December 31, 1980	82,139,427

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of the State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Westfield Life Insurance Company
Westfield Center, Ohio 44251
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$50,000
Gross Premiums Received	612
Direct Benefits and Losses Paid	-0-
Direct Benefits and Losses Paid	-0-
Total Admitted Assets	35,333,350
Liabilities	23,902,373
Capital Stock Paid Up	1,500,000
Surplus	9,930,977
Income during year ending December 31, 1980	11,069,834
Expenditures for year ending December 31, 1980	9,843,312

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all repects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

The Wisconsin Life Insurance Company
709 North Segoe Road, P.O. Box 5099, Madison, WI 53705
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$296,000
Gross Premiums Received	33,698
Direct Benefits and Losses Paid	29,105
Direct Benefits and Losses Incurred	27,167
Total Admitted Assets	122,356,818
Liabilities	102,938,025
Capital Stock Paid Up	-0-
Surplus	19,418,793
Income during year ending December 31, 1980	67,947,557
Expenditures for year ending December 31, 1980	68,706,415

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

DEPARTMENT OF INSURANCE
STATE OF WYOMING

Woodmen Accident and Life Company
P.O Box 82288, Lincoln, Nebraska 68501
BUSINESS IN WYOMING FOR THE YEAR ENDING DECEMBER 31, 1980

Insurance Written	$1,601,402
Gross Premiums Received	468,056
Direct Benefits and Losses Paid	232,208
Direct Benefits and Losses Incurred	90,974
Total Admitted Assets	227,774,504
Liabilities	207,901,365
Capital Stock Paid Up	-0-
Surplus	19,873,138
Income during year ending December 31, 1980	70,622,670
Expenditures for year ending December 31, 1980	70,108,336

Pursuant to Section 26-3-129 (b), Wyoming Insurance Code, I certify that to the best of my knowledge and belief, the insurer above named is in all respects in compliance with the laws of this State relating to insurance, and it is duly authorized to transact the business of insurance in the State of Wyoming.
Dated May 12, 1981
s. John T. Langdon
Insurance Commissioner

Bulletin Board

YELLOWSTONE GOLD

If you think you can turn a profit running the hotels and restaurants at the world's oldest national park, you might want to bid for the concessionaire service at Yellowstone National Park. The National Park Service is asking for proposals to manage the park's concessions for up to 30 years, to commence next fall. Applications must be in by September 1. For a prospectus, write to NPS, 655 Parfet St., P.O. Box 25287, Denver, Colo. 80225.

MUZZLE LOADERS

If you can paint or draw a muzzle loader or bow and arrow the size of a postage stamp, the Idaho Department of Fish and Game is looking for your help. Artwork for the popular hunting stamps should be submitted by July 31, with winners announced in early August, to the agency, 600 S. Walnut, Box 25, Boise 83707. No cash rewards are offered, just recognition.

MANAGING MEDICINE

Cutting trees, closing roads, opening up ORV areas, preserving wildlands — just some of the management issues being considered today by the Medicine Bow National Forest. Contact the agency, 605 Skyline Drive, Laramie, Wyo. 82070 for more information or to participate in the decisions.

PRBRC MEMBERSHIP DRIVE

The Powder River Basin Resource Council is conducting its annual membership drive. The group is organized to shed light on industrial threats to Wyoming's land, air, and water. In conjunction with the campaign, a publication on synthetic fuel development in Wyoming is being offered free. Contact PRBRC at 48 North Main, Sheridan, Wyo. 82801, or 624 North Sixth, Douglas, Wyo. 82633.

H2O CONSERVATION

If your community lacks a water conservation plan, you can learn a seven-step procedure for developing one at workshops planned next month by the Missouri River Basin Commission. One workshop is slated for Aug. 12 at the Holiday Inn Airport, Sioux Falls, S.D., a second for Aug. 13 at the Ramada Inn, Billings, Mont. Registration costs $9, and attendance will be limited to 60. For registration forms and a brochure: Water Conservation Workshops, MRBC, 10050 Regency Circle, Suite 403, Omaha, Neb. 68114.

HOME CORRAL WANTED

Arizona burros from the Black Mountains west of Kingman, Ariz., will be up for adoption after Oct. 1. The federal Bureau of Land Mangement is rounding up surplus animals. The price under the Adopt-A-Burro program has risen from $25 to $75. Rumor has it further price rises lie ahead. The burros are being removed because they are competing for forage with bighorn sheep and other animals. Contact the Arizona BLM, 2400 Valley Bank Center, Phoenix, Ariz. 85073.

NORTH FORK ASSESSMENT

The North Fork Valley on Colorado's Western Slope has been sized up by the Bureau of Land Management for possible leasing of federal coal. Studies of two areas led the BLM to conclude that neither should be excluded from future leasing plans for environmental or social reasons. Hearings on the BLM's environmental assessment will be held July 14 at Paonia's High School cafeteria at 7:30 p.m., and July 16 at the Cedaredge Grade School cafeteria. Copies of the study can be reviewed at local libraries, and can be obtained from the Uncompahgre Basin Resource Area Office, 336 So. 10th, Montrose, Colo. 81401.

PASSIVE IN PORTLAND

Portland, Ore., will host the sixth annual Passive Solar Conference — five days of workshops, tours, exhibits and films — September 8-12. Workshops will address solar technology, greenhouse design, and future developments. Tours will visit residential and commercial solar projects, wineries, wind power and hydroelectric installations. For more information: Passive '81 Conference, Suite 800, 715 S.W. Morrison, Portland, 97250.

TRAINING TRAINERS

The Conservation Foundation is offering a short course entitled Training Environmental Trainers, which is designed to instruct participants on program development, attracting participants, teaching techniques, budget, research, and evaluation. The $650 program is scheduled for September 13-16. Registration must be received by July 15 at the Conservation Foundation, 1717 Massachussetts Ave. NW, Suite 300, Washington D.C. 20036.

MOUNTAIN PROTECTION

The International Mountain Society of Colorado has recently been created to help solve mountain land-use problems. IMS will publish its findings of scientific and technical knowledge in an interdisciplinary journal, **Mountain Research and Development.** Subscription requests and inquiries should be sent to International Research and Development, IMS, P.O. Box 3148, Boulder, Colorado 80307.

CCLEO

The little guys in government get a chance to compare notes at the First Annual Conference and Organizational Meeting of the Council of Local Energy Officials July 15th at the Colorado School of Mines in Golden, Colo. They'll talk about computers, financing and small-scale energy production and get to know each other. Registration costs $20, including lunch. Write to Colorado Council of Local Energy Officials, P.O. Box 18789, Denver, Colo. 80218.

ABBEY IN '82

1982 promises to be a beautiful year; on paper anyway. The Utah Wilderness Association is presenting the Edward Abbey Calendar, boasting full-color environmental photographs and quotes, real and ficticious dates and events drawn from Abbey's works, plus important environmental and wilderness dates. The calendars (mininum order of six copies) are available for $5.95 each from UWA, 722 Judge Building, Salt Lake City, 84111.

RENEWABLES REVIEWED

Communicating and analyzing renewable energy technologies will be the objectives of the recently established Renewable Energy Institute in Washington D.C. The non-profit organization will emphasize what the private sector can do for itself in an effort to identify and process renewable energy. For more information contact REI, 1050 Seventeenth Street NW, Suite 1100, Washington D.C. 20036.

GRANT VILLAGE

A proposal to greatly expand overnight facilities at Grant Village in Yellowstone National Park is available for public scrutiny, but you better hurry: Public comment on the draft must be submitted by July 31. The draft environmental assessment by the National Park Service calls for construction of 400-500 new "lodging units" to replace cabins being removed from more fragile areas of the park. Write to or call the Superintendent, Yellowstone National Park, Wyo. 82190.

BOON OR BOONDOGGLE?

The Powder River Basin Resource Council, the Wyoming Church Coalition and the Converse County League of Women Voters have scheduled a conference on synthetic fuels this month, featuring a representative from the synfuel industry and an environmental spokesman proposing alternatives to synfuels. One conference will be held July 17, 5:30 p.m., at the Clear Creek Grade School in Buffalo, Wyo., and another on July 18, 2:00 p.m., at Converse County High in Douglas, Wyo.

"RIVERS OF ENERGY"

A study of hydropower use worldwide, both its history and future, is available from Worldwatch Institute. Hydropower currently supplies one-quarter of the world's energy — a share that may drastically increase if oil supplies run dry. Small scale development, dam improvements, power shifts, and problems such as flooding and the spread of waterborne disease are reviewed in the study, available for $2 from WI, 1776 Massachusetts Ave., N.W., Washington D.C., 20036.

UTAH COAL LEASES

Ten coal tracts in Carbon and Emery counties, Utah, are to be offered for competitive lease sale. Five tracts recommended by the regional coal team will be up for sale July 30, at 1 p.m., in Room 220 of the Salt Palace, Salt Lake City. The remaining will be offered in February next year.

NEW COAL MINES

Environmental impact statements are being prepared by the Office of Surface Mining and U.S. Geological Survey for two proposed coal mining operations in Colorado and Wyoming. Northern Coal Company's proposed four underground mines near Meeker, Colo., are expected to produce five million tons annually over a 20-year life expectancy, involving 4,750 acres. Nerco, Inc.'s proposed surface mine in Converse County, Wyo., would yield 12 million tons of coal over a 28 year period. Reclamation plans for both projects are available from OSM. Brooks Towers, 1020 15th St., Denver, 80202.

BIG BUCKS

The average hourly wage of oil and gas workers is $9.42, according to a recently released Wyoming Dept. of Labor and Statistics' wage and employment survey. The study reviews wages, the ratio of female workers, percent of union-management coverage, and fringe benefits. It's available from WDLS, Hathaway Bldg., Cheyenne, Wyo., 82002.

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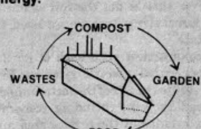

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Opinion

Washakie wilds battleground

Were it not for the efforts of a few obsessive and charismatic individuals to capture the public's imagination, a great many wondrous natural areas around the country might today be filled with mine tailings or Ramada Inns. The support for preservation comes not just from those who use these areas regularly. The outpouring of sentiment for protecting the Bob Marshall Wilderness in Montana from mineral exploration earlier this year came in part from outsiders who knew the name and symbolic importance of the Bob but never set foot there.

So what happens when an equally large, equally crucial area, lacking the famous name and symbolic recognition, is similarly threatened by an invasion of seismic crews and drilling rigs? South of the Montana-Wyoming border and east of Yellowstone in the Shoshoni National Forest lies the Washakie Wilderness, under siege.

That name will bring no yelp of recognition among East Coast backpackers or armchair philosophers of the wilderness movement. Yet the Washakie is about to become the first battleground of the conservation struggles of the 1980s: It will be here that resource developers and wilderness advocates go to the mat over the crucial controversy written into the 1964 Wilderness Act — the provision that allows possible development of minerals in wilderness areas before sealing them off in 1984.

Taken with the neighboring Teton and Absaroka wildernesses, various adjacent proposed wilderness and primitive areas, and the undeveloped eastern side of Yellowstone National Park, the Washakie represents a wild region equal to the Bob Marshall and its adjacent wild areas. Its beautiful lakes, mountains and wildlife are all the more crucial because they provide a natural refuge from the increasing human activity and energy development in surrounding areas.

The developers tried to get into the Bob for symbolic reasons — there was no evidence that great oil and gas deposits were there. In the Washakie, though, the symbolism of cracking the wilderness is supplemented by a real likelihood that there is oil and gas to be found.

Public interest has been low so far. But there have been some interesting developments. Rep. Richard Cheney (R-Wyo.), who opposed the House Interior Committee, withdrawal of the Bob Marshall from development, said July 9: "I do not support exploration or development of oil and gas in the Washakie Wilderness area." And one Forest Service official said that local citizens, who adamantly opposed increasing wilderness during RARE II (Roadless Area Review and Evaluation) hearings, and many of whom work for oil companies, are equally adamant today in their desire to protect what wilderness they've got.

Public opinion matters greatly, and there hasn't been nearly enough yet. Forest Service officials will make a decision whether to approve or disapprove lease applications this fall. They must balance the volume of probable oil and gas against the public's desire for untrammelled wild areas. We suggest that the whole nation learn the word "Washakie," and start defending it with the vehemence we showed for the Bob Marshall. What is at stake in Wyoming is reason enough; but we are, in fact, gambling with the whole wilderness system.

— GOG

News item: The Bob Marshall Wilderness is withdrawn from oil and gas leasing and seismic testing is forbidden.

New solar slashings prompt a belated cry from Hayes

Denis Hayes feels cheated. Fired as the head of the Solar Energy Research Institute near Denver after a third of his budget and staff were severed, Hayes has lashed out at Reagan's energy officials. "Dull grey men in dull grey suits making dull grey decisions" and so on, he's calling them. He's vowed revenge by working to "abolish" the agency.

Hayes hears sympathetic cries from solar advocates across the country, from the Solar Lobby to Colorado's Sen. Gary Hart. They too feel Hayes and his researchers have been robbed of a golden opportunity to make solar shine.

But if Hayes has been cheated, he's cheated himself. And if SERI's been robbed, then Hayes, in his angelic silence until now, is to blame. In fact, he's asked for it.

Lest we succumb to idealizing the past, it should be remembered that the Carter administration and the 96th Congress were no dear friends of solar energy. True, President Carter spoke of a 20 percent solar country by the year 2020. But promises aside, he and the Democratic Congress so underfed, underclothed and ignored the federal solar programs that his goal was mere rhetorical pipedream.

Hayes' beloved SERI, in particular, has been batted around in the budget game for years. It was the Carter administration that first cut funding for a permanent SERI center and continuously withheld dollars for SERI programs. And it was Carter energy officials who so poorly defined SERI's role in the overall federal solar strategy that the General Accounting Office had to issue no less than four highly critical reports since 1977. The institute, the congressional investigators warned, was floundering in administrative darkness.

Yet, what from Hayes? Silence. He may have been playing partisan politics, unwilling to criticize a Democratic regime. Or he may, as his friends say, have merely accepted the best he could get, bowing to political compromise.

Whatever his reasons for keeping his mouth shut in the past, however, it's more difficult to understand why now he's upset. The Reagan administration is cutting only those programs Hayes himself has tacitly deemed unworthy of SERI's attention — namely, programs that would help commercialize solar energy today.

Hayes has been an unabashed advocate for a SERI mission that focuses largely on high technology, in effect large-scale research — research that may pay off in technological breakthroughs, but would have questionable benefits for small-scale enterprise and have no benefit for anyone before the turn of the century. Public education, solar demonstrations, and research to perfect existing solar hardware — all the activities necessary to make solar available and practical today — were best left to others, Hayes felt.

So why the outcry when Reagan energy officials decide to totally eliminate SERI's commercialization efforts? The high-tech, distant-future stuff would remain largely intact.

We can't guess Hayes' intent. But we can blame him for partaking in four years of missed opportunity. And we can sympathize with, if not totally endorse, the statements of those lukewarm to solar energy (such as Sen. Alan Simpson, R-Wyo.) who say they'll reconsider increased funding for SERI when and if it more clearly defines its role.

Maybe now Hayes will jump back into the grassroots scene — a game this founder of the 1970 Earth Day knows well. Because if solar is to work soon, it'll be up to communities and private individuals, and not the federal government's bungling programs.

— MM

letters

FUTILE FORECASTING

Dear HCN,

With regard to Mr. Zars' interpretation of the effectiveness of REA Bulletin 120-1 (HCN, 5-29-81, letters), this load forecasting formula, like all load forecasting techniques, has inherent limitations because it involves a mathematical plotting of the future. However this is not the full extent of load forecasting techniques used by Tri-State.

In conjunction with each of its 25-member rural electric systems, Tri-State studies many of the factors affecting load growth, including economic characteristics of the service area and county growth.

The geographic characteristics are studied, including climatological norms and changes and groundwater use and data. Industry is studied in relation to increased coal demand, oil pumping, and mineral reserves. Government regulations, such as the Clean Air Act, are monitored for their probable effects on industry and production.

Population patterns are surveyed for normal growth rates and in-migration. Personal income by major sources is considered as a factor in both agricultural and non-agricultural areas. Induced populations by developing industries are considered.

Many other sources are used as study resources, including those of state and federal agencies — the Wyoming Department of Economic Planning and Development and the U.S. Department of Interior, as examples — private studies, university research and data from other utilities.

All of these considerations are beyond what the REA Bulletin 120-1 requires. And if the results of these studies do not coincide with the mathematical projections of the formula, Tri-State and its member systems discuss their findings with the REA and the differences are resolved.

The major difficulty in utility forecasting is in categories of electrical loads called nontrendables. Many of these loads are related to industrial operations and though efforts are made to determine what the future of these loads will be, the nature and the exact timing of their growth or decline often cannot be predicted even by the industries concerned.

Economic conditions, inflation, conditions of supply and demand — all

eference Target LRT-BE4-V2

Tuning in media causes environmental fade-out

by John Soisson

I recently attended a board meeting of an environmental organization. One of the items of New Business discussed was a trip by the group's director in

guest editorial

search of funds to finance a multi-media advertising campaign. The board approved the idea routinely. There was a hint of passivity in their acceptance of the proposal that says something about us all: If you can't lick 'em, join 'em.

In the early days of the second generation of environmental organizations there was a druidical air about most of the membership. Nature was seen as God's creation. Environmentalists believed that mankind should live in harmony with nature and saw themselves as part of it. But they soon learned that religious arguments alone could not stop the 'iron glacier.'

To get more public support, environmentalists opted for scientific issues. To disseminate their arguments on those issues they surrendered their essentially religious mindset — that of the ambiguous, less defined, and seasonal perception — and they adopted the linear, technological style that is effective in the news media. They adapted to the form and style of their opponents and sacrificed content in the process. They gave up the very thing they wanted to protect.

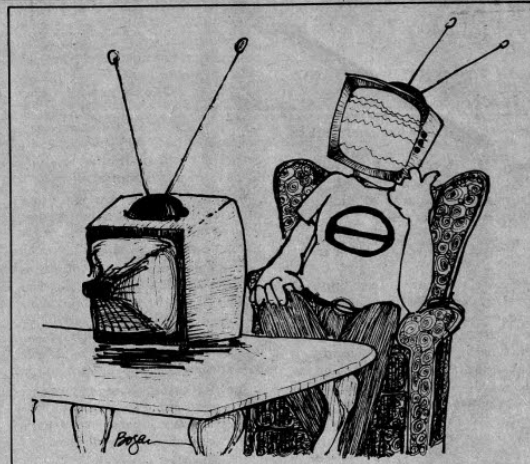
By taking to the air waves they followed in the wake of other successful movements of the 1960s and early 1970s and they had early success themselves. The media focused on dramatic events, bold sweeping statements. The attention was heady and romantic. Television was the key to the excitement. It was a kind of peak experience that many environmentalists have been trying to duplicate since.

The environmental message is one of values, essentially. It is often subtle, subjective and complicated. Television, as a medium of informational delivery, operates best with data, slick packaging and simplistic phraseology. A series of 15 second spots might do wonders for eye makeup. It won't do ethics any good at all.

You can't teach spiritual values. You teach techniques, which are reducible to science and which adapt readily to television. When we preoccupy ourselves with the tools and style of technology we drift away from nature. We cease to understand how different it is from science.

It's easy to understand why environmentalists turn to TV. The pressures to use the electronic media are great. In the face of science and technology, emotion and passion don't seem very potent. Movements that grow from the deepest corners of our hearts are forced to deal with the slow moving bureaucracies of industry and government. Community organizing is painfully tedious. TV is fast. Public relations are more glamorous and exciting than education. Victory is swift when it comes through the media.

The tropistic curve of environmental organizations bends away from local organizing, legal reform and evolutionary change, and towards the media. Groups who turn to the media become increasingly dependent upon them for both real and apparent existence. By moving away from immediate contact with individuals and communities, organizations cut themselves off from



their roots and destroy themselves, even while they continue to exhibit a kind of floating, aerobic vitality.

A love affair with the media can damage not just our organizations but also individuals.

The danger to individuals is that the nature of the technology is to move towards centralization. It is too expensive to utilize any other way. Control over the technology gravitates to a very few people. Power flows into the hands of a technocratic aristocracy.

Ths complex terminology and the arcane language of technocrats and technology easily overwhelms those who haven't mastered either the language or the techniques. Organizations only naturally look to someone to intercede for them; someone skilled in the ways of the enemy; someone who can be as ruthless and cunning as the membership is not.

Such an evolutionary process feeds upon itself and its momentum increases rapidly."It's a race that democracy is in right now," one environmental leader told me. "It's a race against time. It's a race between the system as it was intended to work and the speed with which technology develops." In our haste to win, we rush blindly into technology's arms.

Given the press of time and circumstances, the vocabulary of environmental organizations increasingly reflects its new technological style. Money is raised for "promotional training," "taped public service announcements" and "advertising campaigns." Public opinion becomes something that is not to be listened and responded to but to be molded and manipulated. In the end, we become what we once opposed.

Who has really won? What are we really selling?

— — — —

John Soisson, formerly of Sheridan, Wyoming has worked for the Wyoming Citizens Lobby and other environmental groups. He presently lives in Portland, Ore.

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have an effect on these nontrendables. For example, such a nontrendable condition has dramatically impacted the uranium mining industry in Wyoming, its employers and employees, as well as energy loads.

As for the contention that private or investor-owned utilities have more sophisticated forecasting methods, this is doubtful. The investor-owned utilities generally serve more populated and urbanized areas than the rural electrics. They are not as greatly impacted by the nontrendable loads because they have larger trendable loads in the residential, commercial and small industrial categories.

It is not accurate to depict load forecasting as placing a ruler on the last 10 years of sales and extrapolating another 10, as Mr. Zars indicates. Tri-State in particular has experienced many changes in load growth over the past 10 years and reviews these changes annually during peak and off-peak seasons. We have demonstrated our willingness to adjust planning and construction to the changing load growth patterns and investigate alternative resources.

We realize that it is difficult for the layman to evaluate and understand the load forecasting techniques that are used. We appreciate the fact that the **High Country News** has taken the time and provided the effort to investigate these matters first-hand.

Jerry Demel
Manager of Information Services
Tri-State Generation and Transmission Assoc., Inc.
Denver, Colo.

ENVIRONMENTAL ECONOMICS

Dear **HCN**,

I attended the Western Colorado Congress which was mentioned in your May 29 issue. A disturbing theme was repeated frequently during the two days: "Times have changed and we must act **as if** the environment were an economic issue." Environmental organizations are repeating this theme too. What do they mean by "as if?" The environment is an economic issue, it is **the** economic issue, for our entire economy is dependent upon a healthy environment. The economy depends upon the environment for materials, food and energy, and it also depends on the environment for climate control, flood and erosion control, renewal of resources, waste management, etc., etc., etc.

It is time we started talking about bioeconomics. It is time we started talking about how inflation is caused by the abuse of the environment.

It is time we started talking about all the free work the environment does for us and how there are no technological substitutes for much of this kind of work. For instance, the Sept. 2, 1977 issue of **Science** reports in "How Much are Nature's Services Worth?" that it would cost $205,000 per hectare just to duplicate the work of wetlands in providing tertiary waste-water treatment and fisheries. That's 1977 dollars and it does not include many other wetland jobs such as gas flux and waterfowl support.

Those who would deny the economic importance of the environment and deny their responsibility for maintaining its health through sustainable resource usage and pollution control have done a hatchet job on the word "environmentalism" just as they are doing a hatchet job on the environment. We must take back the word and made it respectable again. Beauty and wilderness, per se, are equally important but by limiting our public statements primarily to these issues (as was done in the Watt hearings) we are playing right into the hands of those who would destroy the basis of our economy and of human existence.

I strongly recommend reading **Economics, Ecology and Ethics** by Herman Daly.

Elizabeth Moen
University of Colorado
Boulder, Colo.

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books

MOUNTAINS WITHOUT HANDRAILS

Reflections on the National Parks

Joseph L. Sax; 1980, $5.95, paperback (also available in hardback), 152 pages. University of Michigan Press, Ann Arbor, Mich.

Review by Geoffrey O'Gara

If there's one area where Interior Secretary James Watt has flustered his critics by seeming to favor increased stewardship of public lands, it's the national parks. While past administrations were out buying new parkland, he tells us, they weren't even keeping up the outhouses in Yellowstone, and he thinks it's disgraceful.

Watt has set out to change that, and here as elsewhere he is whistling his favorite tune: Free enterprise. Push aside that sloppy, stolid bureaucracy, the National Park Service, and let the bright, dollar-motivated entreprenuers step in. With several park concessions coming up for bids this year, Watt is calling for concessionaires to get more deeply involved in the parks' operations.

The secretary rarely misses a chance to put those dastardly elitists, the environmentalists, on the defensive, and the parks provide another opportunity: "The vast majority of Americans...are not rugged young backpackers. Most Americans look to our parks and our refuges to give them reasonably easy access, relatively safe shelter and a chance to use their limited time and funds to greatest advantage."

When conservationists cast their suspicion-lidded eyes on a line like that, they go blind to the qualifiers. They think: Roads, hotels and restaurants.

Joseph L. Sax's book, **Mountains Without Handrails**, never mentions Watt — it was written before his appointment. But the timing of its publication is exquisite, because it sets out to create a philosophical basis for keeping the national parks more or less natural.

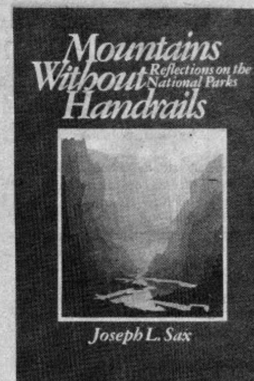
The book is short — only 113 pages of text — and does not attempt to provide a comprehensive history or discuss every nuance of park management. Sax throws in brief anecdotes, telling us, for instance, the Yellowstone National Park was the idea of an agent of the Northern Pacific Railroad Company, which eventually became the park's primary means of access and first concessionaire. But for the most part, he explo the rather belated development of a doctrinal mission for the parks.

That mission, says Sax, should be to promote self-reliance, independence, and a "reflective" involvement with nature. These goals are at odds with the kind of park operation that insulates visitors in their cars, hotel rooms and restaurants, or mounts them on a trail-bike or snowmobile and sends them roaring out into the "wilds."

To so simply describe this book is to merely bring out its polemic side, and there is more to it than that. Sax's chapters on fishing and climbing show a sensitive and critical reading of the literature in those much written-about fields. He's obviously been up a few rocks and cast a few lines himself.

Sax concludes that park management is an ethical choice, not to be argued with dollars or ecological doom-saying. "The preservationist is not an elitist who wants to exclude others, notwithstanding popular opinion to the contrary; he is a moralist who wants to convert them...He finds a park full of planned entertainments and standardized activities a deterrent to independence, whereas an undeveloped park leaves the vistor to set his own agenda and learn how to amuse himself."

The limited subject of this book, and its lack of colorful firsthand accounts of life in the wilds, may discourage some readers. But it is a thoughtful essay, not too preachy, and an excellent counterpoint to the simplistic evangelism now pouring from the Bully Pulpit of



the Interior Department. Sax's "secular prophets" of preservation may not get much airtime these days, but they have a persuasive proponent.

One is left, though, with the nagging question:Has there ever been, or will there ever be, park managers with a philosophical bent who will take the leap of faith and courage required to "force the duty to choose on (park users) and resist pressures to deprive the parks of authenticity?"

WATER, ENERGY AND LAND

Public Resources & Irrigation Development in the Pacific Northwest: Who Benefits & Who Pays

Diane Jones, Idaho Citizens Coalition; 1981; $5, 109 pages. ICC, 216 N. 8th, Boise, Id. 83702.

Irrigation Water Use and Management, An Interagency Task Force Report

1979, 133 pages. Report No. 680-546-517. U.S. Government Printing Office, Washington, D.C. 20402.

Review by Michael Moss

"A river is more than an amenity," wrote Justice Oliver Wendell Holmes, "it is a treasure...that must be rationed among those who have power over it."

Rationing the Columbia and Snake rivers in the Pacific Northwest, once seemingly endless sources of water, has become a struggle for that power. The interests are many: navigation, fishing, power generation, drinking water. None is more taxing than farmland irrigation, which takes all but five percent of the 75 million acre-feet diverted each year out of the river system. And according to this new study, no use is more questionable than irrigating new farmland.

Diane Jones of the Boise-based Idaho Citizens Coalition has taken a close look at irrigation in the Columbia-Snake Basin. She found nearly one-fourth of the nation's sugar beets and potatoes grown on irrigated land, eight million acres in all, in Idaho, Oregon and Washington.

New schemes are calling for as much as four million acres of new irrigated land by the year 2020. And that scenario, Jones felt, deserved a closer look, because the tradeoffs for watering ... new acre are many.

... political bent is un... the study

We can ...

IDAHO CITIZENS COALITION

laments, declined in number by one-half since 1950. Particularly responsible is the irrigation of public lands, which "has resulted in large-scale, industrial-style farming."

Cited is the mammoth 40,000 acre potato plantation leased from the state of Oregon by spud king J.R. Simplot; a 25,000 acre project carved out of southern Idaho's desert lands by the retail clothier Hale Bros. and other corporate farming ventures that have tapped public resources.

The Yakima and other Indians are also boosted by the study, which applauds the new, stronger tribal fishing and water rights. But Jones opens new doors by analyzing the seemingly hidden public subsidies involved in irrigation — namely, public lands, water rights, and electrical energy supplies.

The latter is most interesting, as Jones calculates that irrigating three million new acres in the region would raise electric rates to all consumers by at least 30 percent. The study bases this conclusion on a dual electrical cost for irrigating.

To irrigate one acre, 2,250 kilowatt-hours are needed each year to pump the water. But that water could also have been used to generate another 2,250 kilowatts of cheap hydroelectric energy

had it been left in the river. (New efficient irrigation systems return almost no water to the river.)

To replace the net 4,500 kilowatts lost with new thermal (coal) power plant juice would cost $180 per year, of which, under current pricing policies, some $164 would be paid by consumers, $16 by the irrigators.

The solution, the study suggests, is to let the free market system work by requiring land developers to pay the full costs of irrigation, including the power costs.

The effects of pricing can be clearly seen in existing irrigation systems and practices. Throughout the West, ranchers and farmers are plugging holes in their pipes, relining irrigation ditches, and rethinking a wealth of management practices to save water, and the energy it costs to move that water.

The reason is purely economic. "We were talking pocketbook when the electric rates went up 70 percent last year and we had their attention," says Rolland Skinner, a Haysprings, Nebraska power district officer who has started new conservation efforts in his district. "You don't need special water cost increases to spur conservation," he said, "energy costs are enough."

Doug Short of the Tri-State Power Co. in Denver is also convinced that his firm's education campaign is encouraging conservation. "There's a direct economic benefit to irrigators," he said, "They only need the information."

Some of that informational help can be found in the second study, done jointly by the Departments of Interior and Agriculture and the Environmental Protection Agency. Replete with photos and many charts, graphs and other illustrations, the study runs through nearly every aspect of irrigation, from current practices to water law to conservation techniques to political roles.

The report reviews the costs and impacts of many water conservation measures (there's a negative effect on wildlife habitat, for instance), and rolls out a series of policy recommendations that, in short, call for spending sizeable dollars to save water.

The federal budget now before Congress doesn't provide for such expenditures. But recent state actions in Idaho could provide the impetus for private water- (and thus cost-) saving efforts.

The Idaho Public Utilities Commission has voted to level the pricing structure for irrigation customers, who up to now have enjoyed a declining rate in which they have paid lower rates as their electricity use went up.

Irrigators protested even this compromise reform, claiming economic hardship in the agriculture industry. And in Montana, irrigators are gearing up to wage war against a proposed "cost-of-service" pricing reform that could raise the cost of irrigating an acre from $8 to $40.

Massive rate increases could backfire on water conservation efforts, it is noted, as owners of more efficient (but energy consumptive) sprinkler systems consider switching back to flood irrigation. Thus, new cost-pricing reforms need careful consideration. But one thing is clear: With the economics of existing irrigation in turmoil, any new irrigation schemes merit a careful, calculated look.