That Interim Agreement!

Much has been said about this agreement. We think you should know more of the details.

### WHY SUCH AGREEMENT?

During the period of Government operations in the war and post-war periods operating costs had advanced so tremendously the Alaska carriers were unable to resume service on a strictly private basis, and in order to develop sufficient information to enable Congress to plan intelligently a long-range Alaska shipping program this agreement was concluded.

## WHAT IS THIS AGREEMENT?

This is a contract under which the Alaska operators covenanted with the Maritime Commission to furnish service to Alaska until June 30, 1948, the Maritime Commission to provide the necessary additional tonnage at nominal charter hire (\$1.00 per vessel per year) and cover hull insurance. To cover its out-of-pocket expenses the Government will take any earnings over 10 per cent before taxes (about 6 per cent after taxes) on operating capital employed, and if there is any remainder the Government will take 75 per cent thereof. All losses are to be paid by the operator involved.

## BASIS OF ALLOCATION OF SHIPS AND DIVISION OF ROUTES

The carriers, unable to agree among themselves on the allocation of ships and the routes to be served by each, did agree to submit this matter to arbitration and to abide by the arbitrators' decision.

During the pre-war period of strictly private operations, each company was entirely free to enlarge its fleet as it saw fit and to serve competitively any or all ports of Alaska, and the arbitrators decided that rather than promote the expansion of any one carrier at Government expense and to the detriment of the others, the allocation of ships and scope of operations under the agreement should be according to the pre-war private determination of each carrier, except that the Alaska Steamship Company would have one less vessel than pre-war and that all military cargo for all areas would be open to free competition by each carrier.

## PRE-WAR FLEETS AND AWARD FLEETS

	- PRE-WAR (as of 12/7/41) -			AWARD			% Tonnage
	Vessels	Tonnage	% Total Ton.	Vessels	Tonnage	% Total Ton.	Increase
Alaska Steam	. 17	69,018	79.2%	16	73,906	71.7%	7.08%
Northland	. 5	14,405	16.6%	5	18,349	18.8%	27.4 %
Alaska Transportation	. 3	3,675	4.2%	3	9,478	9.5%	157.9 %

Subsequent to original award, one additional vessel was assigned each carrier, creating an even greater disparity over pre-war tonnage pattern in favor of the two smaller carriers.

## DESIGNATED OPERATING AREAS (Except that military cargo for all areas open to free competition).

Alaska Steam Alaska generally (except Kuskokwim if Santa Ana Steamship Co. was to operate).

Northland Southeastern Alaska (except combination freight and passenger vessel authorized to operate in conjunction with other combination vessels in the trade).

Alaska Transportation Southeastern Alaska

#### SHOULD ARBITRATION AWARD BE CHANGED?

We believe not. Although the over-all result of the arbitration award was not nearly so favorable to the Alaska Steamship Company as to the other carriers, since we agreed to the arbitration and to abide thereby and the other carriers did likewise agree, it appears to us that the right and proper procedure is to allow the Interim Agreement, as is, to run out the period of its stipulated duration, or until plans for returning to a strictly private operation are approved by the Maritime Commission, whichever occurs first. We believe your consideration of the circumstances involved and the terms of the agreement will lead you to a similar conclusion.

Sincerely,

F. A. ZEUSLER
Executive Ass't to the President

# ALASKA STEAMSHIP COMPANY \* \* \* \* \* \* Serving All Alaska \* \* \* \* \*

ing. Imagine entertaining the idea that anyone under the control of an institution should be decontrolled, or suggesting that a man's body is his own to take where he pleases! We would be moving backward, away from "progress" toward the time when there were no passports, and people went where they wished, to seek a job or admire the scenery, and if they didn't find a job or like the scenery, they picked up and went elsewhere.

Dreadful to begin to return to

Yes, what I propose is astonish-

Dreadful to begin to return to such a dark age! For is it not the new ideal that everybody, eventually, should be "placed"—in a work brigade, an area, a campunder board to feed, police and indoctrinate him? Do not people see that to be "placed" is only the other aspect of being displaced? And that at all times men place themselves, in the quest of opportunity, far more efficiently than others can do?

Neither UNRRA nor IRO has solved the problem. But each and every person constituting it could solve it for himself. It needs no catalogs and sheaves of papers. Just one piece of paper, issued in the name of a fighter for freedom, bearing the proclamation: "Good for all freedom-loving countries in the world."

## **PROCLAMATION**

Office of the Governor of the Territory of Alaska

The humanitarian work carried on by the Alaska Crippled Children's association in aiding the less fortunate is a most praiseworthy undertaking. Under the able leadership of Mrs. Margot Hoppin, its president, it has raised funds to help in rehabilitating many handicapped persons and has given its full support to the Orthopedic Hospital at Sitka.

For the purpose of raising additional funds to carry on its work, the Association is arranging for an Easter Seal sale from February 28 to March 28 of this year.

Therefore, in support of this worthy cause, I, ERNEST GRUENING, Governor of Alaska, urge upon the people of Alaska to participate in this human welfare campaign by purchasing Easter Seals during the period from February 28 to March 28, 1948.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of the Territory of Alaska, at Juneau, the Capital, this 4th day of February, 1948.

ERNEST GRUENING, Governor of Alaska.

(SEAL)
Attest:
LEW M. WILLIAMS,
Secretary of Alaska.

## A.R.R. Workers Ask Higher Pay

(Special Washington Service)
WASHINGTON, (A) — Wage
raises asked by employees of the
Alaska Railroad are being studied
by secretary of the interior Krug.

H. Rex Lee, assistant director of the interior department's division of territories, told a reporter yesterday he expects a decision from Krug in a week or 10 days.

The railroad is owned by the government. Employees were offered increases to make their wages comparable to those paid on western railroads in the United States. They rejected this proposal and even asked higher pay.

After a hearing here, the controversy was submitteed to Krug for decision.