

# Big Oil and Alaska

*Extreme Conditions: Big Oil and the Transformation of Alaska*  
By John Strohmeier  
New York: Simon & Shuster, 1993  
\$23; 287 pages

Reviewed by Steve Farnsworth

*EXTREME CONDITIONS* DESCRIBES THE BINGE that consumed Alaska following the discovery of a major oil field in 1957. That strike, together with the ones that followed, changed Alaska from a wild, underpopulated and largely neglected territory to a state that had lots of money, at least for a while.

During the boom years — that is, until oil prices crashed in the early 1980s — developers, labor unions, state government and particularly the oil companies all became flush with cash. Even Native groups, so often excluded from the riches extracted by whites, had a modest piece of the action.

While all this money may have offered some advantages — schools and the arts were far better funded — such riches created new problems, most notably a dependence on a steady flood of currency washing over the state.

Strohmeier's description of that history reads like nothing so much as a leveraged buyout gone bad. The crash in oil prices in the early 1980s sent many Alaskans back down to the Lower 48, unemployed, and as poor as when they first arrived.

Corporate defaults started piling up, as developers who once built indiscriminately couldn't or wouldn't make their payments. That led to bank troubles, and some failed under the crush of bad loans and declining property values. Native corporation coffers dried up and several tribes decided to clear-cut some of their forests to get their next financial fix.

Even the Teamsters, by far the most powerful and wealthy union in Alaskan history, was forced to sell soured investment holdings in a desperate attempt to raise cash. Strohmeier makes a

convincing case that most of the riches were stolen or wasted, be it the Teamsters' share or that paid to the Native corporations.

In the midst of all this trouble sailed the Exxon Valdez, which in 1989 spilled 10.8 million gallons of oil, causing massive environmental damage. The book describes, though too briefly, the costs of this corporate crime.

*Extreme Conditions* tells these conflicting stories of Alaska: Native versus outsider, rich versus poor and, most of all, environment versus business. Strohmeier's book is generally evenhanded, despite the divisiveness of modern Alaska.

Even so, all facts are not created equal. Strohmeier might have been a good deal more biting in his criticisms of the oil industry. In particular, he could have focused more on the Exxon Valdez spill and its aftermath; readers interested in a careful dissection of the Exxon Valdez disaster should best look elsewhere.

But what the book does say about the spill hardly qualifies as public relations. Strohmeier ridicules Exxon's overemphasis on its image and underemphasis on moving quickly to contain the disaster. He observes that two-thirds of the oil spilled by the Exxon Valdez was never recovered and that even inland ecosystems were devastated from the tanker's assault on the environment.

Big oil is not the only villain in this book. Others include state politicians who wink at tax loopholes for the oil industry and then squander the tax revenues the state does receive, and fish canneries and tour guides, who are contributing to the ruin of the environment.

Strohmeier, a Pulitzer-prize-winning reporter who moved to Alaska from Pennsylvania in 1987, has an uncanny eye for compelling anecdotes. He offers his readers amazing stories from this most amazing land: huge, poorly planned highway projects that simply sink into the mud and massive rusting grain elevators for a state with few grain producers.

Strohmeier sometimes tells the story of Alaska's changes through people, like one of the first Native Alaskans to attend graduate school and the women harassed as they helped build the oil pipeline. These stories are some of the most interesting parts of the book.

This fast-moving and entirely interesting work also gives readers a very powerful sense of Alaska's natural beauty, a beauty under assault from all sides. ■

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