

IN TRIBUTE TO

An Unsung Hero

*A onetime skeptic
recalls how "The System"
saved a city.*

—ED FORTIER—

ANCHORAGE.
HUNDREDS OF THOUSANDS of words have been written about the great Alaskan earthquake that shattered 52,000 square miles of Alaska on March 27, 1964.

As an Alaskan involved in the great upheaval and its aftermath, I want, from the clarifying distance of a year, to pay tribute to an unsung and sadly neglected hero of the disaster.

The hard-to-sketch calamity conqueror to which honor—or at least full appreciation—is due, is that rather vague, all-embracing thing in our lives known as the "American System" or the "American Way," and the elements of free enterprise, competition, and profit motive that make it work.

Implied characteristics of those who live by the system are initiative, independence, and freedom to act—all of which I saw bloom in abundance under the most adverse conditions.

Saved by the System

On that fateful and nearly fatal Good Friday evening when the lights were out, and the heat was off, and the phones were dead in a shattered city, it was the System that saved the day.

Many of the experts who arrived two or three days after the quake and seismic waves, described by President Johnson's Federal Reconstruction and Development Commission for Alaska as causing "one of the greatest disasters in the recorded history of the United States," didn't see the System at work in the critical

This article is reprinted by permission from
The National Observer of March 22, 1965.

first 48 hours when it was at its best.

From my vantage point in Anchorage's Providence Hospital, largest private hospital in the state, I watched the disaster from the first shudder at 5:36 p.m. until the survival of the state's largest city (estimated population: 80,000) was assured.

My background will help to explain my transformation from a skeptical observer of the worth of the System under maximum pressure to an avowed admirer. From 1951 to 1959, I was employed as a full-time Civil Defense official, starting as regional director and ending as Alaska's first state director.

In retrospect, I now realize that in years of building a Civil Defense framework and foundation in Anchorage and western Alaska, my associates and I never really appreciated what the System can accomplish when allowed to work. I'm not sure that we fully realized government is a servant of the governed.

Plans for an Emergency

I dislike needless government intrusion in my private affairs, but I must admit that at the time I was responsible for emergency planning I espoused the "government knows best and can do the job best" philosophy. My plans,

some of which were still intact when the earthquake struck, tried to cover every possible emergency situation with written directives.

The panic and mass hysteria that I feared never developed. The looting and pillaging that I expected just didn't take place.

All the ingredients needed to rip a community apart were present in abundance—earth-shaking terror, fear of the unknown, unfounded warnings that a tidal wave was expected, isolation, below-freezing weather, darkness, loss of communications. But the composite character of the Americans involved refused to crack under the strain.

My first realization that the System is a tangible, living, and essential thing came at Providence Hospital.

Although their hospital seemed to be shaking itself to pieces, not a single nurse or aide left her patients on any of the hospital's five floors. No authority told them to stay with their patients; they just naturally honored an obligation to their profession.

As soon as word spread that Providence was the main emergency medical center, suppliers anticipated needs almost before they developed. A bottling company sent a truck with distilled water and soft drinks.

Representatives of major drug

companies were on the job in minutes. When not filling orders, all of which were delivered without cost, they carried stretchers. A bakery kept the bread flowing into the hospital and wholesalers did the same with other foods. A commercial oxygen company had reserve tanks in place within an hour.

None of these free citizens had to be called or given written orders. They came because service, emergency or not, is a prime ingredient of private enterprise.

A Flood of Volunteers

All off-duty workers reported to Providence, and so many volunteers had registered by 8 p.m. that radio stations broadcast the message that no additional help was needed for the present.

No one had to call Anchorage's physicians and surgeons for emergency duty. Despite the fact that almost one-third of the city's doctors lost their homes or other property, the medical profession was at its best in meeting every emergency need.

With the exception of the military forces, which provided massive assistance in manpower and material in every corner of the vast disaster area, the City of Anchorage was government at its best under disaster conditions.

Under the very capable leader-

ship of then Mayor George Sharrock, an airline executive, the city government acted with amazing speed to get utilities in operation.

By Saturday morning, March 28, practically the entire business district was out-of-bounds and under military guard. As broken, sunken streets were repaired, the area of "no entry" diminished each day. By Tuesday all banks were operating and open for deposits or withdrawals. (There were few of the latter.)

Those who wanted to meet the situation by imposing restrictions found an enemy in Anchorage's mayor. Soon after the disaster, Mayor Sharrock was under heavy pressure from higher authorities in government to invoke martial law, ration food and fuel, place an embargo on some shipments. He had faith in the System and refused to buckle under to the "government knows best" element. And the System did not betray his trust.

Early on Saturday morning, I entered a food store near my residence. The inside was rubble, but the store was open for business. A bit hard to find what you wanted, but as long as my grocer had it, his food was for sale.

Working with candles, lanterns, and flashlights, the owner and his crew had stayed up all night to bring slight order out of chaos.

He knew people would need and want food, and didn't want to disappoint them. There was no discernible hoarding.

This pattern was followed by hundreds of independent merchants in every field. It wasn't easy, but they did it. They had customers to satisfy, payrolls to meet, and bills to pay.

Danger in a Building

An outstanding example of the System was provided by Harry Hill, president of the Lathrop Co., and his son, Donald. The Lathrop Company's new six-story Cordova Building was tilted and appeared so badly damaged it was declared unusable by government inspectors. The company's two-year-old Hill Building, an eight-story structure housing the Federal Aviation Agency's Alaska offices, was damaged to the extent that building officials didn't want repair crews to enter it.

Believing his buildings usable, and knowing them to be useless as empty ghosts, Harry Hill disregarded the advice of government experts. He flew 100 heavy 25-ton jacks to Alaska, and assisted by his son and several brave workmen, began the dangerous task of jacking his buildings back to their original position. Final repairs were completed by late summer and both buildings have been de-

clared safe and are fully occupied. Principal tenants in each are agencies of the Federal government.

Within a week, the American System of produce for profit was going full blast. Unless you wanted to retire from the scene and lick your wounds, there was not time for sitting back.

This ode to the System is not intended in any way to belittle the efforts of the many agencies of government that have aided and are assisting in the rebirth of Alaska.

The fact is, however, that all the assistance would have been useless if Alaskans hadn't demonstrated the will to survive and a determination to stay with their stricken towns and cities.

I have noted that the many echelons of government have a hefty corps of public information officers who recite with great competence their particular agency's role in helping Alaska get back on its feet.

But with the passage of time and mounting evidence that Alaskans are undaunted in their determination to rise above the rubble, there is a growing recognition that the critical early battle was fought in the hearts and minds of the ordinary citizens who refused to quit when defeat seemed almost inevitable. ♦

Profit\$

HANS F. SENNHOLZ

ALTHOUGH every businessman aims to earn a "profit," he usually knows very little about the economic nature of his objective. He may even succeed in earning a profit, and yet be unable to explain this excess of proceeds that accrues to him after all expenses are paid.

The same can be said about tax collectors who search for "profits" and aim to seize parts thereof for the state. And the accountants who reveal the "profits" by comparing the business revenue with the expenses. They all look at the totality of net income without any distinction of its various component parts.

The economist who analyzes the economic nature of "profits" actually perceives three entirely different sources of income.

Most proprietors and partners of small businesses who think they are reaping "profits" actually earn what economists call *managerial remuneration*. They are earning an income through their own managerial labor, supervising their employees, serving customers, working with salesmen, accountants, and auditors. Obviously, their services are very valuable in the labor market. They would earn a good salary if they were to work for the A & P or a 5 & 10¢ store. Therefore, that part of a businessman's income that is

Dr. Sennholz heads the Department of Economics at Grove City College, Pennsylvania. This article is from a speech given to business executives in Dallas, Texas, on April 23, 1965.