



## Confrontation in Manila

**Demonstrators retreat as marines open fire on them during dispersal operations today near the presidential palace in Manila. A crowd of 10,000 leftists were demanding land reform. At least 12 of them were killed in the bloodiest clash with anti-government demonstrators since President Corazon Aquino took office. Story on Page 23.**

Associated Press

## State researcher warns

# Collapse of oil said possible

By SUE CROSS

Associated Press Writer

**JUNEAU**—Oil prices still are in danger of collapsing, and Alaska legislators should move fast to put the state on some other financial footing, the state's chief revenue researcher said Wednesday.

Vince Wright of the Alaska Department of Revenue warned legislators that the world oil market, while headed upward, is too politically unstable to predict.

If he had to issue a forecast today, Wright said, he'd say oil prices are likely to go up a few dollars a barrel over the next few months, boosting Alaska revenues \$200 million this year and \$250 million next year.

Wright's standing projection pegs revenues at \$1.4 billion this year and \$1.325 billion in fiscal 1988.

But he said Alaska could find itself nearly broke if the current agreement between members of the Organization of Petroleum Exporting Countries breaks down. That could happen if demand for oil stays low and inventories high, he said.

"There's a possibility oil could collapse. There's no doubt about it," Wright said.

The state attorney general's office has been talking to Alaska producers about the possibility of

storing their oil if prices bottom out, then selling it when prices rebound. Those talks should continue, he said.

Some lawmakers lashed out at Wright and other oil analysts, saying they should have provided a more accurate picture of falling oil prices before the state budget was approved last May.

House finance Chairman Al Adams, D-Kotzebue, and Senate finance Co-chairman Johnne Binkley, R-Bethel, questioned why Wright issues projections quarterly, and not after major marketplace developments, such as OPEC meetings.

But Wright reminded them he has been saying for months that budgets should not be built out of forecasts.

He said it often takes months for market developments in the Middle East or elsewhere to affect Alaska, so immediate projections are not as useful as might be thought.

"If you want, we can give you a number every month. I can even give you a number every day. But I don't think it is going to help you," Wright said. "There are no guarantees in this business—absolutely none."

Better projections would not help  
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# UA restructure 'more likely' to hit urban campuses

By TODD HOENER  
Correspondent

The current restructuring of the University of Alaska is more likely to affect academic programs offered by the urban campuses within the statewide system than those offered by rural campuses, says UA President Donald O'Dowd.

"It is more likely that programs will be reduced to a lesser degree in the rural areas because restructuring will affect administration rather than program changes," O'Dowd said in an interview Wednesday. He said urban universities will probably experience more program reductions.

O'Dowd was to released his first plans today for restructuring the new university system. The process will begin by forming consulting groups at UAF, UAA and UAJ.

The chancellors involved in the campus mergers will head and select the members for each consulting group. Don Behrend, UA provost, will head the UAA consulting group. Brian Rogers, the statewide budget director, will serve as a liaison between the UAF consulting group and O'Dowd. Wendy Redman, the government relations director, will serve the same purpose for the UAJ group.

The consulting groups from the

three regional universities will resolve questions about the organization and framework of their campus. Some questions proposed include: What will be the administrative structure of the new institution? How should the community college and university be integrated? What is needed to maintain the essential elements of the community college missions?

O'Dowd indicated that after the meetings he will draw up recommendations on the structural issues for consideration by the regents during a February meeting. The establishment of campus task

forces will be formed after these measures are done.

On the eve of what is expected to be additional cuts to an already reduced UA budget, O'Dowd said UA is not just another department in the state bureaucracy. He said commitments made at the university are long-term and do not simply involve the hiring and firing of personnel when the state revenue climate changes.

"We just can not stop doing what we're doing," said O'Dowd, referring to the complicated task of balancing the university's budget with its educational obligations. "However, we have pretty much

used up any maneuvering we had. Now everything we look at to cut is a major loss."

Gov. Steve Cowper is expected to propose that the fiscal year 1988 budget for UA be substantially less than the \$143 million the Board of Regents approved on Dec. 5. O'Dowd says this time the cuts will be severe but will not put the university in financial exigency.

Drastic reductions in the FY 87 budget brought the university to the verge of declaring financial exigency last summer. Officials said such a declaration would be similar to a business declaring bankrupt.  
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