



TYONEK CHIEF IN WASHINGTON—Several Alaskans are shown visiting in Senator Bartlett's office during a trip to Washington of a number of Tyonek residents. Left to right (standing) are Senator Bartlett; Mrs. Margery Smith of Skagway, the Senator's Executive Secretary; Anchorage Attorney Stanley J. McCutcheon; Mrs. Bartlett; Francis M. Stevens of the Bureau of Indian Affairs office at Anchorage, a community development specialist; and Seraphim Stephan. Seated left to right, are Albert S. Kolosa, Jr., Chief of Tyonek and Fred Bismark. Sale of oil and gas leases on the Tyonek Reserve last year netted the residents of Tyonek close to \$12,000,000. The group has been visiting a number of Indian communities throughout the United States to study community plans.

Oil Rich Village Competes With State's Biggest City for \$50 Million Gas Plant

One of Alaska's smallest Indian villages, Tyonek, is attempting to give the "purple shaft" to Alaska's largest city—Anchorage.

And the most ironical part of it: The big little village with a \$12 million bank account is attempting to beat Anchorage in the most popular and lucrative business this season—the oil and gas game.

Before oil was discovered near the 25,000 acre reservation on which the village of about 130 population is located, Tyonek was little known. But Tyonek has become something of a "Titanic" since it netted close to \$12 million in oil and gas lease revenues last year.

At first it appeared that the village might not reap the oil bonanza—that the Department of Interior might tie the funds up in escrow—but the village hired an Anchorage attorney who won a legal victory in court for the village in a relatively brief time.

A big question then evolved: how would Tyonek spend its millions? It soon became apparent, however, that the Tyonek people were not going to squander it but invest in something that would make more money.

At first the construction of a big cement factory for Tyonek was proposed and that project looked promising for a while. Eventually, however, it was dropped.

Plans for a housing project blossomed forth and the villages are working feverishly on this project

now. But Tyonek people also let it be known that they would spend only a small part of their fortune on this. The rest they would invest.

Early this spring, they proposed to develop in downtown Anchorage a huge center. The villagers were somewhat taken aback when the city fathers of Anchorage—usually most adept and interested in inducing new enterprise—turned thumbs down on the project.

If that wasn't enough, the village had to fight being included against their will into a borough.

When Anchorage appeared to be giving them a cold shoulder, the Tyonek villagers turned to Fairbanks and indicated they would like to come to the interior Alaska city to look over investment possibilities.

In the meantime, the village had quietly behind the scenes been working on a gigantic deal between itself and two major oil companies—Union Oil Co. of California and Marathon Oil Co.

Under the plan, Tyonek proposed to build a gas liquefaction plant on their reservation at a cost of \$50 million. The tribe would invest about \$11 million and with their

credit borrow the rest.

The two companies would then lease the plant and would liquify gas from local fields for sale in the Far East, mostly Japan. The plant would guarantee the Tyonek residents employment.

One of the most attractive facets of the deal, according to Attorney McCutcheon, would be that the plant if built on the reservation would be completely free of state, federal, or local taxes.

Last week when representatives of the oil companies released the fact they were giving the Tyonek proposal serious consideration, business leaders in Anchorage were shocked. Furiously they began to marshal forces to raise \$50 million to compete with the small village for the gas liquefaction plant.