

State must meet basic needs in rural areas

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There are probably as many differing ideas about state government spending as there are residents of our state. The thought bespeaks Alaska's most unique resource, its people. While the conventional wisdom about Alaskans is in many instances wrong there are fundamental characteristics that are generally accepted. Alaskans are racially and culturally diverse. They have a well-refined sense of personal independence. There is among Alaskans a philosophical, and in the case of Alaska Natives, a spiritual attachment to Alaska's natural environment. Other characteristics are certainly shared, but the three mentioned here should unequivocally be major touchstones in the development of public policy if that public policy is ultimately to serve residents.

To serve presupposes understanding, sensitivity and the ability to act promptly and responsibly. I am concerned that the sheer size of state government is making this more and more difficult. I speak from my experience as a staff level state employee, an agency director and a member of the Alaska Cabinet when I suggest that much tighter control than currently exists be placed upon growth of government operations. State employees are public servants in the highest sense and I do not mean to denigrate them. But the bureaucracy of our government collectively is a powerful institution of a size when juxtaposed against Alaska's total voting population that even now raises the issue of our real ability to control it.

Having said that about state government growth (while not suggesting specific remedies) can I then responsibly move to discuss what more government must do? Absolutely for I believe that it is easily within the capacity of the current level of government operations to significantly increase its services if priorities are rearranged and the bureaucracy restructured. I suggest that the remedies are fairly obvious and known to policy

makers. What must be determined is the political will to act.

Any general discussion of Alaska's new oil wealth seems too often to presuppose that our basic human and community needs have already been met and the discussion can be focused on grand scale infrastructural development for major economic development, community enrichment and direct personal financial participation. Such is not the case. Examples are abundant. The suicide rate among young Alaska Natives ranks near the top in our nation. As a general indisputable proposition the health, social service, housing and educational needs of our Alaskans have yet to be adequately met. For state spending these areas of need must continue to be high priorities and be more comprehensively addressed. And we can do it without increasing state bureaucracy.

The king crab, tanner crab and salmon industries currently in place at Unalaska (Dutch Harbor) comprise one of Alaska's largest and concentrated economies. Thousands of transient workers, numerous processing plants and vessels demand new human, community and industrial services that are not remotely available. Prince of Wales Island, third largest island under the American flag, in the Southeast Alaska is home to Alaska's timber industry. On the large island are the towns of Hydraburg, Craig, Klawock, Thorne Bay and Hollis and a number of semi-permanent logging and fishing camps. The island has a total permanent population of approximately 2,500. Most of the timber harvested to feed the large Louisiana Pacific Company's pulp mill at Ketchikan is harvested there. One of the Alaska's few wood processing mills is located there as are a number of canneries and cold storages. For the residents, communities and businesses of Prince of Wales Island there is no hospital. There is no regular air transportation except for small single engine float planes. The one airport on this 120-mile long island is a gravel strip of 2,500 feet without navigational aids or lighting. These deficiencies and more exist in an area

which produces in excess of one hundred million board feet of timber each year and many millions in fisheries products. Such basic community services as water, sewer, electricity, telephone, schools and roads are inadequate for the current population of Prince of Wales yet projected growth in the timber industry alone may double the island's population this decade.

These are casual examples. There are many, many more. State government must meet these needs. It certainly can no longer plead poverty.

I have no quarrel with using a portion of the state revenues to fund major infrastructural development in such areas as transportation and power. However, they must be tied to some realistic expectation of economic and community growth and not be unduly speculative. At a minimum any such development should accommodate the concerns, needs and desires of local areas affected and should not pose a financial burden when state revenues from oil begin to decline.

The state must keep in place, both at the local and state level, a system of taxation sufficient to produce needed revenues when oil revenues decrease as expected and alternative revenues are not available from other sources.

Recognizing that we are a frontier economy the state must continue to craft reasonable incentives to promote private sector growth. Such incentive must not provide any sustained subsi-

dy and should not promote economic growth beyond the capacity of the private sector to of itself maintain such growth. Recent state programs designed to assist economic development through soft loans and other subsidies, have shown unintended results which it continued can prove seriously injurious to the private sector. Careful analysis of past and present efforts in this area is essential before further action is taken.

Generally, I am confident that this state can responsibly meet the challenge of plenty if we all share a strong sense of human compassion, re-

cognize the real limitations of our future revenues, are sensitive to the frontier characteristics of our economy which call for unique economic development incentive and if we are careful in maintaining and enhancing the incredible natural beauty of our land.

Mr. Mallot's piece originally was delivered as a speech in 1980 and recently was published in the Sealaska Shareholder, the newsletter of the Sealaska Region.