

Small Business Administration Offers Minority Loans in Alaska

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Staff Writer

A lady in Point Hope thinks she could make a going business out of sewing mukluks and parkas if she had money for equipment and extra helpers. A native businessman in Fairbanks wants to start a contracting firm—but can't quite compete yet for state and federal contracts. A native technologist wants to start his own medical lab.

How can they get the money to carry out their plans? Where can these native people find the technical assistance they may need to get their businesses off the ground?

One possibility is to apply for a minority loan from the Small Business Administration, according to the SBA's Alaska District Director, Mr. Frank Cox.

The SBA offers loans—not free money—and in the last year they have tried to make businesses succeed. Thus, besides the loans of up to \$25,000 they can grant to native businessmen, they try to supply technical assistance, business management training and other aids.

The minority loan is a low interest loan—available without the stringent collateral requirements of the banks. During the past year, Director Cox explained the TUNDRA TIMES in an interview last week, the program has mushroomed. About \$4 million in SBA funds are presently on loan to Alaskans under the minority loan program.

One large part of the minority loan program is helping villages build native cooperative stores. In 1971, SBA has funded 8 new ANICA stores—in villages such as Stebbins, Gambell, Savoonga and Kwethluk.

Highlight of the cooperative store venture was ANICA's purchase of the Bethel Trading Company last month. This large

commercial outlet, formerly owned by Joe and Alice Mendola, will provide a warehouse and purchasing facility for ANICA in Bethel to serve other native stores—and lower prices throughout the region.

Outside of cooperative stores, SBA loans provide funds for a whole gamut of assorted native businesses—gift shops, skin sewing shops, a medical technology lab, construction companies, garages and all sorts of small businesses.

Last May, SBA sponsored a business class in Bethel—a 10 day workshop in accounting, business practices and other associated subjects which will be held again in other regions throughout Alaska.

For many native businesses, an SBA loan is supplemented by a grant from the Bureau of Indian Affairs—seed money which can help the new business through its first, and har-

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dest year.

Just starting in Alaska is the SBA's 8 (a) program—an assistance program which helps native Alaskans start out in various contracting businesses. The first native participant in the Alaskan program was Alaska Native Developers Incorporated, a firm co-owned by Ralph Perdue and Jules Wright of Fairbanks.

Under the 8(a) program SBA helps the beginning firm negotiate one or more federal contracts. Any federal agency can set aside work for the 8(a) program which SBA then contracts for—and subcontracts to native contractors.

They provide technical assistance during negotiations and some help—but this is assistance which diminishes each year and very soon the new company is going it on its own—but with experience and a reputation it did not have before.

"We certainly felt like we

earned it," says Jules Wright about the 8(a) contract his company is presently completing with the Federal Aviation Agency. By completing the contract, he is being successfully established with a bonding company and will be able to become bonded to bid on larger projects than previously.

Maxim Dulchak, an Alaskan native from Kenai, acts as minority loan officer for the SBA, according to Director Cox. Any native who wishes to apply for a minority loan should call, or write directly to:

Small Business Administration
1016 West 6th Street Suite 200
Anchorage, Alaska 99501

Any mail contact should outline the kind of business the person wishes to start, the approximate amount of money he needs and about what type of assistance he requires.