

Justice Goldberg...

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the general counsel.

The members said that it would be a great boost to the native effort to get equitable solution to the native claims; that Goldberg should be the national spokesman for the land claims; that he would also be influential within the Interior Department.

Justice Goldberg told the editor of Tundra Times that he has "a great feeling of the problem for the native people of Alaska." He said that this was nothing new to him.

He said that as U.S. Secretary of Labor, as Supreme Court Justice, and as Ambassador to the United Nations, private and public career, he has always been concerned with problems of the ethnic groups.

Goldberg said to the AFN board, "The best foreign policy is to do justice at home."

He said the native people of Alaska have been denied health, dignity and justice; that this has been a tragedy for a 100 years. He said that if he should decide to work for the native people of Alaska, "we will not fail if the state, the federal, and the natives work together."

Justice Goldberg also strongly stressed that there be unity on the state level, Department of the Interior, congressional delegation and the native regional counsels.

Goldberg hinted at the AFN meeting, after meeting with Interior Secretary Walter Hickel,

the state and the congressional delegation, that there was some differences of opinion in the congressional delegation.

Some of the AFN officials commented that perhaps Justice Goldberg will be asked for a decision whether he will serve as general counsel for the native people.

Some thought that he was delaying his decision because of his desire to meet with Sen. Henry Jackson, chairman of the Senate Interior and Insular Affairs Committee, and Congressman Wayne Aspinall, chairman of the House Interior and Insular Affairs Committee.

The two men are expected to play highly important roles in the native land claims legislation in Congress.

Justice Goldberg also told the AFN board meeting that he would like Miller, Kay and Libbey law firm in Anchorage to be the liaison between the native regional counsel and other concerned sources.

Goldberg also told the meeting that he was not necessarily interested in money as far as his services were concerned. He also said he was against "unconscionable arrangements" moneywise between the native regional counsels and the native people.

Justice Goldberg is a senior partner in the law firm in New York that employs 125 lawyers.

"It's a very busy firm," he said.

Mineral Rights...

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Fred Paul, counsel for the Arctic Slope Native Association, in his recommendation for settlement of land claims had the following to say:

"... There are 358 million acres under federal control now. Certain of these, e.g., Fort Richardson, cannot be included in any settlement for obvious reasons. So, let us take a net figure of 350 million acres. One-ninth is about 39 million acres in which we would have the mineral rights. Some we would manage, others we would not."

Paul said that the Naval Petroleum Reserve No. 4 was a good illustration.

"It has some 23 million acres," he said. "Under this proposal, the Navy would have the management but we would have the beneficial ownership of one-ninth thereof. To the area east of Pet 4, the State has selected two million acres. We would get 220 thousand acres and the management of the same."

"And so it would go throughout the State. In analyzing the mineral surveys in other areas of the State, the Federal Field Committee records show great potential. I, for one, believe we should not gamble by taking the Federal Field Committee's preferred approach and we should diversify our holdings throughout the State."

Then Fred Paul had the following recommendation added:

"Supposing, too, we expand the gross area by including the four sections out of the Inner Continental Shelf? Then the settlement is worthy of serious consideration."

The AFN board of Directors, which is also a member of the Governor's land task force as a body, went on record last week that it would include those beneficially attractive portions of the Federal Field Committee recommendations in the AFN land claims bill now being drafted.

AFN also went on record that the bill would call for each re-

gional organization to be a separate entity from the Alaska Native Development Corporation.

In last year's AFN bill, or land task Force bill, regional associations would have been under the jurisdiction of the parent organization, as would the villages.

Under the new bill, regional organizations would administer developments in villages.

Ike Passes

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returned to the military service to become Commander of the North Atlantic Treaty Alliance.

In 1952, the General was encouraged to seek the office of President of the United States. After winning the Republican nomination, he easily captured the popular vote. He served two full terms, retiring from public life in 1960.

The former president received overwhelming national and worldwide popularity during his lifetime. His funeral on Monday was attended by many heads of state, who had come to pay their respects to a man they had admired as a leader as well as a defender.

During the period of national mourning, Alaskan leaders eulogized the man who had been instrumental in achieving statehood for Alaska.

Governor Keith H. Miller issued this statement: "With the death of former President Dwight D. Eisenhower a little bit of every American dies. A great man, a great leader, a great human being has left our midst, and the sadness we all feel is especially acute among Alaskans, for President Eisenhower was a principal architect of Statehood for Alaska, and it was his hand which finally signed the long-sought Statehood Act."

Senator Mike Gravel also recalled Eisenhower's aid in achieving Statehood. He stated that



TERMINAL EXPANSION—Rep. Mike Bradner, left, and Sen. Terry Miller are showing the expansion plans of the Fairbanks International Airport. Under the plan, the terminal will have two and

half times the floorspace than the present terminal has now. The two state legislators are from Fairbanks and North Pole respectively.

Air Terminal Here Expanding Say Lawmakers

Senator Terry Miller and Representative Mike Bradner, both Fairbanks members of their respective Finance Committees, this week released data on the size and scope of the new Fairbanks International Airport Terminal.

The new expanded terminal will contain two and a half times the floorspace in the existing building; raising the total area to 63,842 square feet. Areas for the present dining room and coffee shop will be more than doubled.

In addition a new wing will contain a new lounge on the second level and a large baggage claim area on the first floor.

The terminal has been designed for easy expansion to accommodate the future growth anticipated for the airport.

The construction of the new terminal will be of steel frame pre-cast panels. Bids will be advertised on April 21 and awarded on May 14.

Construction is due for completion by January 1, with funding made available from a \$2, 225,000 revenue bond issue provided by the last Legislature.

The terminal expansion is the largest of many improvement projects scheduled for the Fairbanks airport. Additional expansion and apron paving has also been budgeted. A general increase in the operations staff has been provided for next year.

This improvement program is in response to the increased airport traffic generated by the North Slope oil supply activity and the announcement of a New York-Tokyo route through Fairbanks by Pan American.

As a result of this new activity, the Fairbanks International Airport is now making money. In the past, the Fairbanks facility has depended on the revenues from the Anchorage International Airport to operate.

However, the Airport now stands alone as a self-sustaining unit. This means that we can expect a series of improvements at the Fairbanks Airport.

'THIS LAND IS MY LAND'...

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from past state sales in Alaska were given, nor were competitive sales in other states mentioned.

Although, the oil companies and the state know the potential of the area in question, the rest of us can only guess. In an attempt to show both sides of the picture—competitive vs. non-competitive—a study was made by three Fairbanksans. Maximum and minimum figures were used—based on known and given facts. Some of the constants and variables used were:

Twenty years was considered to be the average life of an oil well. State law permits 16 wells leasing block, but only 1.6 producing wells per lease was assumed (since only one out of ten wells is usually a producer in a new area.) One computation was run for a dry hole. The flow of oil from a producing well was diminished at the rate of 3% per year; \$3.06 was used as the dollar value of a barrel of high gravity oil at the well head; the field was considered to be 40-60-and 80% developed; and production was calculated at 2000 to 8000 barrels a day.

Royalty payments, severance taxes, state and federal income taxes, borough and city property and sales taxes, and depletion allowance were all based on the value of a 1970 dollar (decreasing in value to 1990 at the rate of 1% a year.) A dollar turns over seven times (average) in a community, and profit on investments was figured at 8%. Investment in real estate was computed at 75% of spendable income and sales tax figured at 25% of spendable income since sales tax is not charged on construction.

Computations became too complicated to analyze by "long hand" so mathematical possibilities were analyzed by computer. There are 324 possible combinations. Here are a few examples:*

Competitive:

Assume \$13/acre bonus on lease with a producing well. 60% of the land is developed and 4000 barrels/day of oil is produced. The company pays the state 12½% royalty on production and 3% severance tax:

Revenue to the state. \$7,828,904.30.
Revenue to the federal, and local government. none.

Non-competitive:

Assume \$10/acre negotiated sale to oil company. 60% of land is developed and 4000 barrels/day of oil is produced. 4% over-riding royalty is paid to the individual and he invests at 8% profit. The company pays the 12½% royalty and 3% state severance tax.

Revenue to the state. \$9,267,770.75.
Revenue to federal government. . . . \$2,432,372.42.
Revenue to local government. \$208,006.71.
(Plus \$838,246.59 in buildings)

Difference: \$4,079,245.58.

*Figures may be checked with Sci-Com Inc., 3550 Airport Rd., Fairbanks, Alaska 99701

Competitive:

Assume \$1500/acre bonus, that it is 40% developed, that an 8000 barrel/day well was producing, and the state still gets the 12½% royalty and 3% severance tax.

Revenue to the state. . . . \$9,329,122.12.
Revenue to federal and local governments. . . . none

Non-Competitive:

Assume \$12000/acre negotiated, 40% development, 8000 barrels /day of oil; 4% royalty (over-riding), and 8% profit.

Revenue to the state. \$9,288,122.12
Revenue to federal government. . . . \$4,999,139.57.
Revenue to local government. \$370,235.44.
(plus \$1,215,458.87 in buildings)

Difference: \$5,328,044.67.

My only conclusion can be that you should draw your own conclusion. I am not a lease-broker, I do not own an oil and gas lease, but I have lived in Alaska for forty years and plan to stay for forty more. I too am interested in "what is best for the state of Alaska." Which method of leasing do you think is best? Why?