

● Bering Straits non-profit is paying off debt

(Continued from Page One)
debt was reduced by another 190,000 dollars. This means Kawerak's debts are now about 140,000 dollars.

"Our creditors are once again giving us credit, and we expect to be out of bankruptcy court in September," Kawerak executive vice president Charlie Johnson told the Tundra Times.

"The most significant thing about this is that our recovery is due to efforts by our local Native people," Johnson added.

The balance of the debt payment is expected to come from federal reimbursement for losses suffered during operation of federal contract programs.

"We thought the feds would come through first, not the state, but the solution is thoroughly bogged down in bureaucratic red tape," Johnson said.

A request has been made to the Alaska Congressional Delegation for congressional action to approve an appropriation to put Kawerak over the hurdle.

Morale Boost

The Kawerak recovery is good news indeed for Bering Straits area Eskimos. Local residents have been demoralized by reports of severe losses by the Bering Straits Native Corporation (BSNC), the regional profit corporation created by the Native claims settlement act.

The successes in Kawerak's recovery have given the region's people renewed confidence in their own abilities. Once Kawerak is out of the woods, Johnson believes the area's Eskimos will pull together to improve the condition of the regional profit corporation.

"We think we can do the same thing for Bering Straits Native Corporation," the 39 year-old Eskimo administrator told the Tundra Times. Sipping on a soft drink, and occasionally puffing on a mild cigar, Johnson demonstrated a remarkable air of self-assurance during an interview with this writer.

BSNC, with losses in excess of 26 million dollars by last year, will promise a formidable challenge to its Eskimo members. But the Tundra Times also recalls being told that Kawerak was a "hopeless situation" by a team of accountants two years ago.

The improved morale of Kawerak people is reflected in the excitement with which Johnson and his staff approach the organization's projects and activities.

Kawerak organized and sponsored an elders' conference this spring. "It was a tremendous success, and a great feeling to see the eld-

ers involved, contributing, and being heard," Johnson said.

Kawerak is also the prime mover behind the Alaska Eskimo Walrus Commission, a resource management approach patterned after the Alaska Eskimo Whaling Commission.

Johnson called the group the "only real solution" to the problems of managing the large marine mammal. Apparently, the state legislature is interested also in the idea, for it appropriated 60,000 dollars this year for a report to be conducted by the commission.

Village Management

Kawerak's largest program is funded largely through the Comprehensive Employment Training Act (CETA). With these funds, the organization has hired local people to assist with the management of village affairs, who are learning to keep financial records and other-wise function as village managers.

The non-profit corporation also runs an adult basic education (ABE) program, aimed at developing the basic educational skills of adult Natives in Kawerak villages. Another program assists the reindeer herders in upgrading the long-running but struggling reindeer industry.

"We've been working to upgrade the quality of the animals, largely through disease and parasite control," Johnson said. "Next comes the marketing aspect, but we are going to have to decide between meat production and the Asian horn market," he added.

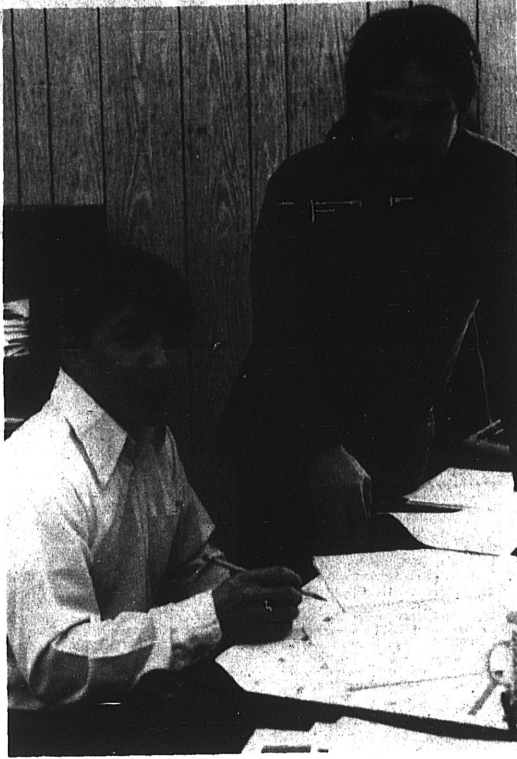
Reindeer horns, ground into powder, are believed to have aphrodisiac qualities by many Asians. The NANA Regional Corporation, of Kotzebue, has had some success in developing the horn market.

One impressive point about Kawerak's CETA program is that it had lost authority from federal officials to be the prime sponsor of the program when the organization's financial troubles began.

"We are the only American Indian or Alaska Native tribal group to regain its CETA prime-sponsorship after it had lost it," Johnson proudly stated.

The only major federal service provided to Natives that Kawerak does not anticipate contracting for are programs of the Bureau of Indian Affairs. Johnson said the obstacle to management of the BIA programs is the desire of Bureau officials to stay in their jobs if Kawerak were to contract for the services.

"We want our own local



MANAGEMENT TEAM - Caleb Pungowiwi, left, subsistence chief and former president of Kawerak, and Charlie Johnson, right, executive vice president, are key top members of the Kawerak management team which has worked to bring about the recovery of large debts which had threatened the existence of the Bering Straits area regional Native non-profit corporation.

Native prople to run those programs," Johnson stated. He also noted difficulties in trying to pursue Indian Self-Determination Act contracts. "They (agency employees) want to stay and we want them out of there, and you can quote me on that," he firmly remarked.

If Kawerak has problems with the BIA, it certainly has a better relationship with other federal and state agencies, as evidenced by the successes it has achieved in working itself out of debt.

Johnson's confident manner and management ability has likely contributed much to Kawerak's achievements. But he gives credit for the financial turn-about to the people of Kawerak, themselves.

"It's our own local Native people who have done it. Of about 40 employees, all but seven are Natives, and all of our key positions in Kawerak, with one exception, are filled by Native people," he said. The administrator credits Kawerak's board of firectors with pulling together as a team to face the serious problems, and former president Caleb Pungowiwi (now deputy director and subsistence program chief) for leading the organization through its crisis period. Johnson also is proud of the Kawerak controller, whom he calls "the best controller of all the Native non-profits."

"Our Own People"

Assistance also came in a big way from the Rural Alaska Community Action Program (RurAlCap), which funds Kawerak's Head Start program, and from the former Technical Assistance program at the Alaska Federation of Natives, which provided extensive accounting support.

He also credits bush caucus members of the legislature, including Rep. Jack Fuller (D-Nome), Sen. Frank Ferguson (D-Kotzebue) and Sen. John Sackett (R-Galeana) for advocating state aid to cover previous losses and funding the walrus commission project. "But most of all, it was our own Native people," Johnson said with a broad grin.

One might think that Charlie Johnson would have been reluctant to walk into the mess that was Kawerak three years ago. "It's the best decision I ever made," he said. Johnson may have gotten some of his fight during his time at Washington State University, which he attended on a boxing scholarship before graduating with a business administration degree from the University of Oregon.

He lived in Oregon for 11 years before returning to Alaska with his wife and three children in 1976. In Oregon, he worked at several jobs before becoming director of the Indian Center in

Portland. In one position, a part of his responsibilities was to sample food products marketed by his company.

"It was particularly difficult when, after testing our products all day, I would come home and my wife would want to go out to dinner, I am just now getting to enjoy eating out," he explains.

In Oregon, Johnson also served as president of the Alaska Native Association of Oregon. He was the first plaintiff in a lawsuit challenging enrollment procedures, a suit in which the 13th region joined later as a plaintiff. "It's not that I supported the 13th. It's just that I didn't believe Natives living outside were being given all the information they needed to make a decision," he said. Johnson is enrolled to White Mountain Native Corporation.

Although he describes Oregon as a "beautiful state," he is very happy to be back in the Kawerak region. "Nothing can compare with being out there on the ice, hunting seals and walrus. Absolutely nothing!" he declared.

Proud Moment

A proud moment came for Johnson during the last shareholders' meeting of the Bering Straits Native Corporation, where he was greeted with enthusiastic applause while reporting on the current status of Kawerak.

BSNC had approved a loan of 30,000 dollars to Kawerak at the darkest hour of the crisis, which enabled the corporation to continue to exist. "I told them that this was one investment that proved out for Bering Straits. We turned that 30,000 dollars into 8 million dollars in services and local employment over the last three years," Johnson said.

The problems at BSNC have been serious and present a very strong challenge to the region's leadership and people. BSNC's difficulties and losses are counted in millions, rather than hundreds of thousands, of dollars. But the lesson of Kawerak, where local people pulled together to reverse a supposedly "hopeless" situation, may provide the needed encouragement. Despite all the jokes about "Dire Straits" and gloomy predictions of doom, it is hard not to believe Charlie Johnson.

It is hard not to believe him when he says, "We have proven that we can do it with our own Native people at Kawerak. We think we can do the same thing at Bering Straits."