

Native Corporations will stabilize economy

(The following comments were presented by the editor to the Borealis Kawanis Club in Fairbanks on March 10, 1977)

Thank you for the invitation to join you this evening. I am grateful for the opportunity to share some of my thoughts about the direction our state will be moving over the course of the next few years. As an editor and publisher of a statewide Alaskan newspaper, I am often amused at descriptions written by journalists for imminent national publications about Alaska. Our state is frequently said to possess a tremendous assortment of geographic wonders populated by peoples of great cultural diversity. Actually, Alaska is a small statewide community of individuals.

For one moment, think about what is happening in Alaska today as the pipeline boom era draws to a close. As the frenzy of pipeline activity diminishes, the real fabric of Alaska again begins to emerge. Once again familiar faces are beginning to appear at the supermarket, at the bank, and on the airplane. The crowds are gone and the real Alaskans are back. Having a statewide sense of community means that everybody knows everyone else in the state, that we all interrelate with each other, and that we have common interests.

While it is true that Alaskans have developed a statewide sense of community, an occasional incident serves as a reminder of an early time when distinct regional and cultural differences were solid facts of life. A couple of years ago, while living and working in Juneau, I often enjoyed stopping into a downtown establishment for some refreshment after work. An elderly lady from Angoon, who had taken up residence in the Gastineaux Hotel across the street from the watering hole, frequented the same establishment. After meeting each other nearly every day over a period of several months, this lady finally asked me where I was from. I told her that I had lived in nearly every region of Alaska and served some time in Washington, D.C., but that I was born in Kotzebue. "Kotzebue!" she said. "Where is that?" I told her that it was about 180 miles north by northeast of Nome. "Nome!" she said. "Where is that?" I said that Nome was about 450 miles west by northwest of Fairbanks. "Fairbanks!" she said. "Where is that?" I realized that here was an elderly Tlingit woman from Angoon and that Juneau was at the edge of her universe. I thought for a moment and then told her, "Kotzebue is the other side of Klukwan." She looked at me, nodded her head in understanding, and said, "The other side of Klukwan... Ah, yes."

Some Alaskans remain like the old lady from that southeastern village. Most of our citizens are not in that category. For most of us, our community extends beyond the city limits of Fairbanks or any other town. Alaskans are all members of statewide community. We depend upon each other for friendships, for our health and well-being, and for our business activity. I have been asked to share my thoughts about the state of our statewide community.

Here we are in Fairbanks in March of 1977. The pipeline has been built. An economic turnaround statewide is forecasted by

economists from the University, our state government, and private financial institutions and the prediction is that the slowdown will last approximately three years until gasline construction and offshore oil development begin to stimulate the economy. What do we do now? I think we had ought to examine the interrelationships between all segments of our statewide Alaskan community. Fairbanks is the town which is expected to experience the most pronounced withdrawal symptoms because of post-pipeline turndown in the economy. I don't think anyone expects the community to dry up and blow away, however.

I wonder how many of you may recall the atmosphere in Alaska immediately prior to the settlement of Alaska Native claims in the fall of 1971. Bob Atwood was screaming excitedly about the prospects of big rip-offs from the U.S. Treasury and Alaskan real estate because of Native claims. The Alaskan press had dire predictions about the evils of the Native settlement threat. In September of 1971, Joe Upicksoun from Barrow, then the president of the Arctic Slope Native Association was invited to speak before the Alaska Press Club in Anchorage. I have listened to a tape of that speech several times over the past few years. Each time I have heard it, my faith in the validity of the claims is reaffirmed. Joe asked the assembled reporters why the Alaskan press was giving the Native leadership such rough going. He asked if any of them remembered the massive wealth which rapidly exited Alaska, ending up in Seattle and Chicago and New York, with no residual benefits for Alaskans. The gold rush experience, fish and timber in Southeast, copper mining in Cordova—these incidents of large scale development of Alaskan resources without lasting benefits for Alaskans have been typical of the way in which Alaskans have been the least to benefit from development of Alaska's resources.

We are Alaskans, Joe said. We live here—we aren't going anywhere. Any benefits we are able to obtain because of the land settlement will be returned many times over to all of Alaska, he added. Joe told the reporters that the Alaskan press should be helping the Native cause in pursuing a settlement with generous terms because all of the state would benefit. Joe's speech didn't have much impact on the anti-Native sentiment of the time, but his predictions about the benefits of the Native claims settlement for all of Alaska are becoming realized more now than during the years immediately following the passage of the Native claims act.

One of the reasons why Fairbanks won't wither away in the post-pipeline era is because of Native business activity. Doyon, Limited, one of the most progressive and successful of the Native regional corporations, will provide a stabilizing factor to Interior Alaska because of a long-term steady program of resource exploration for petroleum and hard rock minerals. Aggressive, independent and sophisticated village corporations such as the Nenana and Fort Yukon corporations are developing timber resources and are engaged in construction activity. Fairbanks will also benefit from Native corporation activity in northern and western

Alaska. The Arctic Slope Regional Corporation is also engaged in resource exploration, tourism, and in a joint venture with the Barrow village corporation is building a large shopping mall.

Every region of Alaska is now and will continue to experience economic benefits from Native corporation activity. Sealaska has made substantial investments in Juneau and Anchorage. The Cook Inlet Region has begun construction on a \$9 million headquarters building and recently revamped its hotel chain of Inlet Inns. Calista has started to build its Sheraton Hotel, has neared completion on its Settler's Bay development, is also considering a program of hardrock mineral exploration, and is using its trawler to inventory Bering Sea shellfish stocks. Bristol Bay, after purchasing Peter Pan Seafoods, conducted the only major salmon canning operation of the past season and recently bought the Anchorage Westward Hotel. Many Native corporations have made long term investments in the more traditional Alaskan tourism industry. It is now estimated that nearly 60 per cent of all hotel space in Alaska is owned by the Native corporations. Half of the regional corporations are owners of United Bank Alaska, which has exceeded all projections for anticipated deposits and assets. Chugach and Koniag regions are swinging into high gear in anticipation of offshore oil development in the Gulf of Alaska.

A few of the regional corporations have shown some disappointing judgements in some investments. However, one must keep in mind that the Native corporations have received barely one-third of the money authorized by the settlement act of 1971 and they have received title to almost none of the 44 million acres of land which they will own. It is best that incidents of mismanagement, an understandable phase in this learning process, can be dealt with in advance of receipt of the bulk of the settlement proceeds. Once land conveyances proceed at a meaningful pace, all of Alaska can benefit from resource development. The sooner that easement and D-2 issues are favorably resolved, the sooner meaningful and productive development may occur. It is no secret that there are differences between the Natives and the federal government, conservationists, state government and others over such issues as easements. Again, in discussions of these questions, I hear shades of the fall of 1971 when Native interests were categorized as being greedy and selfish over the settlement. I would just like to caution the other elements of the Alaskan community to beware of blank accusations against Native interests over D-2 and easement issues. The sooner the issues are resolved so that the Native corporations feel confident about significant resource development programs, the earlier the entire Alaskan economy will benefit from such activity.

Alaska Native corporations, in addition to profit-oriented activity made possible by the 1971 legislation, are also engaged in substantial non-profit projects. Each regional Native corporation has its non-profit counterpart. For example, while Doyon is the ANCSA corpora-

tion for the Interior, the Tanana Chiefs Conference is the tribal entity performing non-profit social service functions. Prior to my return to the Tundra Times last November, I was in charge of one of the departments of the organization. In my department alone, we managed nearly \$3 million in federal grants and contracts which provided substantial economic benefit to Interior Alaska. At the time I left the organization, the Chiefs employed 184 persons in the performance of nearly 100 federal and state contracts and grant management.

All over Alaska, the non-profit regional Native corporations are building hospitals and schools, providing health care services, operating education programs, managing housing authorities and pioneering regional electrification authorities. Last year, 800 new homes were constructed throughout the state by housing authorities managed by non-profit Native corporations. Frequently, I hear the question being asked, "Why are the Native corporations not doing anything about social needs?" The answer is that while ANCSA corporations are profit oriented and would be subject to shareholder suits if they engaged in social service projects, the non-profit regional Native corporations are into social service concerns in a huge way.

At this point, one might ask what these activities have to do with the condition of our state over the next several years. During pipeline construction, we have all been dazzled by the flow of money and people into Alaska. Take away the pipeline glitter and you will find that the Native and his corporations have become very much a part of the fabric of the Alaskan economy. The Native corporations have emerged as a stabilizing influence in the state economy. Even those who were most vehemently opposed to the Native claims settlement in 1971 have come to admit that the claims act has proven to be extremely beneficial to all of

Alaska.

In order for the Alaskan economy to remain viable during the approaching slowdown, the Native corporations and the state business community must forge a partnership to keep Alaska moving during the post-pipeline era. It is obvious to me that Native interests have become the key to Alaskan economic well-being. This discovery is a source of tremendous pride to those of us of Alaska Native heritage. We are not so proud however to believe we can cut ourselves away from the rest of Alaska. We are all members of a statewide community of Alaskans and must work together to keep Alaska's economy moving in a progressive and orderly manner. Alaska Native or Alaskan—we are all Alaskans who must live together in Alaska.