

## Commissioner of Administration—

## Downes Clarifies Lease Sale Investment Money

Thomas K. Downes, State Commissioner of Administration, told an audience at the Fairbanks Chamber of Commerce luncheon Tuesday that the full story of state investment of the proceeds from next week's lease sale was never told to the public.

As a result, Downes said, there are several questions which were left unanswered. An agreement with an outside bank, and specifically with the Bank of America, Downes said requires some explanation.

Downes stated that, by state law, the state is required to invest its money only in federal notes, securities, and bonds. There are 22 financial institutions throughout the United States, he said, that are empowered to bid on these federal bonds. None of them are in Alaska.

The reason a single bank was chosen, Downes stated, was that if more than one bank was to handle the investment, the competition would drive the price higher.

"The Bank of America offered the fastest investment," Downes said. If the proceeds of the Wednesday sale were not placed in the bank Friday morning, "the interest lost could amount to \$105,000."

To guarantee this would be done, the Bank of America has chartered a DC-9 Jet to fly from

Anchorage to New York. Downes said the Bank of America has agreed to "out-of-pocket" expenses, such as the charter flight, at no additional cost.

Downes said that funds, probably amounting to \$50 million, would be placed in Alaska Banks "in less than a week after the sale." Much more would be prohibited, he said, under Alaska's stringent banking laws. Downes said that he expects the legislature to liberalize the policy in January.

Alarmed at widespread confusion, he blamed the press for not presenting the full story.

"All the hearings were open to anyone," he stated.

The only secrecy involved, Downes stated, is the exact schedule of buying. This secrecy he said, is necessary in order to cushion the impact of large amounts of money on the market, which would cause national or international havoc.

Otherwise, the state has gone to "quite a lot of trouble to get information out," he said. This caution was exercised at the urging of U.S. Treasury representatives who flew to Juneau to impress the need for secrecy on state officials, he stated.

Aside from the initial investment, Downes stated that state officials are studying long-range proposals for use of the sale

proceeds. He said his department, the Department of Administration, views expenditures "from a sociological, economic, and developmental aspect."

He told the Tundra Times that five areas were currently under exploration. These include

education, transportation, health and welfare, job training for the poor, and revenue-sharing with local governments.

## AFN Final Consideration on Bill...

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the proceeds of the settlement.

At the top of the structure, a statewide corporation would supervise the distribution of the funds. This Alaska Native Development Corporation would also be responsible for providing expert advice to the regional and village corporations.

Not more than twelve regional corporations would be established under the bill. The regional corporations would be organized in geographic divisions similar to existing regional native associations.

On the base of the structure, native villages would organize in geographic divisions similar to existing regional native associations.

On the base of the structure, native villages would organize and administer village corporations. The villages would receive the bulk of settlement funds, amounting to seventy-five per cent of the \$500 million requested by AFN.

The regional corporations would receive 20 per cent of funds, while the statewide corporations would only receive five per cent.

Regional and village corporations would issue stock to their native members and would receive funds on a per capita basis. The state-wide corporation's board of directors, the bill provides, will consist of representatives from the regional corporations.

Responsible for the initial organization required, the Alaska Native Commission would be established with the enactment of the bill.

One of the Commission's prime duties, as specified in the AFN proposed legislation, is the preparation of a "final membership roll of Alaskan Natives and a roster of Native villages."

Any protests, procedural considerations, and questions of eligibility concerning the roll will be decided by the Commission. It is

also empowered to review annual budgets and articles of incorporation of the corporations.

In addition, the Commission will determine regional boundaries, land disputes, and review land transactions.

The five members of the Commission would be initially appointed by the President, with the approval of the Senate, for staggered one to five year terms. Three of the appointees must be Alaskan natives.

Another provision of the bill requires the federal government to pay to the Alaska Native Compensation Fund, upon passage, an initial payment of \$100 million "as partial compensation to the Natives of Alaska for lands and interests in lands taken in the past to which their rights and

claims are extinguished by this Act."

An additional \$50 million each year of an eight year period would be deposited in the Fund. An interest rate of 4 per cent per annum will be placed on the annual payments.

By the Thursday afternoon session, the AFN Board had considered nearly half of the sixty-five page document. AFN President Emil Notti estimated yesterday that consideration of the AFN proposed legislation would continue late Thursday evening.

Still to be discussed are provisions concerning disposition of lands granted to natives under the act, the revenue-sharing concept, and the relationship of the village corporations to the overall structure.

## Tanacross Land Disposal...

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the Tanacross Claim.

It has received tentative approval of over 60,000 acres of the claim, and has begun final disposition of that land.

The July request by Jackson and Fenton for freezing state action within the claim area was refused by Governor Miller. In a letter received August 19 by the firm, Miller said,

"I feel sure that the selection made by the Division of Lands was made with the honorable intent of satisfying the requirements of the Statehood Act.

"The State cannot at this time, when the native land issue is so pertinent and undergoing close scrutiny by the United States Congress, consider the establishment of a secondary land freeze in this area.

"I feel sure that such an action would be unwise, since it would only add complications to an already complex question. A land freeze for this selected case would open the door to future litigation regarding all State selections which have been tentatively approved to us," Miller

said.

Attorney Barry Jackson suggested that his firm may take further action in requesting a state freeze of disposition of open to entry lands in the Tanacross claim, or at least, in the immediate area surrounding Tanacross and Dot Lake villages.

Such a freeze request would be based on a land settlement concept advanced by the Alaska Federation of Natives and soon to be under consideration by the United States Senate.

It is expected that the land settlement bill may include a provision allowing villages to acquire land, amounting to several townships, surrounding each village.

This concept has received endorsement from the State, which indicated that it favored, and intended to reserve townships adjacent to native villages. Based on this, the Tanacross attorneys may request a freeze of state disposition of lands in nine townships surrounding Tanacross and Dot Lake.

Jackson stated that there is some reason to believe that Governor Miller may be favorable to this request.

"While we are disappointed that Governor Miller has not done this this time, his letter does leave open the issue to be dealt with 'at the proper time.'"

## Jackson, Fenton...

(Continued from page 1)

in a manner satisfying and meaningful to both parties," Jackson said.

"We believe that we have done so in the past but have reluctantly concluded that the time of our greatest contribution to an early, generous, and equitable Land Claim Settlement is now past.

"While it is true that we have been deeply involved in suggesting and drafting the concepts which now seem likely to be included in the settlement, control of the legal aspects of our case has passed out of our hands as regional and AFN counsel and AFN counsel now rests with Goldberg and his associates.

"In the meantime, we have reached the conclusion that we can no longer continue to finance the out-of-pocket costs of full representation on the scale that we have in the past. Currently we have invested about \$25,000 of our money in out-of-pocket expenses and we have advanced the overhead necessary to support our law office incident to our representation in Land Claims matters.

"We are a small law firm and this has strained our resources to the breaking point," Jackson added.

Jackson said that it has been increasingly difficult to maintain a balance of representation to his clients.

"We believe that it is unwise for a law office to be primarily engaged in representing one client or one group of associated clients.

"Such a situation leads to a danger of exploitation of the firm by its principal group of clients to the detriment of the attorney-client relationship and a danger of fostering dependency on the part of the professional.

"For this reason we have always attempted to maintain a balance in our practice; a balance which has not always been kept in fact," added Jackson.

He said that another problem had arisen occasionally where his village clients may have disagreed with the Tanana Chiefs leadership, and his firm had been a target for those who opposed the leadership.

As settlement efforts intensify, Jackson said, it is important to achieve an arrangement where attorneys can represent solely one group, such as a regional corporation.

"We have appreciated the opportunity of representing the Tanana Chiefs Conference. We are sure that both you and we shall achieve, as a result of our efforts together, an early, generous, and equitable settlement of the Native Land Claims and that the Natives of all Alaska will be able to use the settlement as a means of taking their rightful place in Alaska's economy and society," he concluded.

## Wise Raven...

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raven pushed him back to the ground and said, "Look how dirty the snow is where you have fallen. It is because your wife does not keep your floor clean. She must sweep it. See in your hand. It is your wife's bosom. When you sleep you should always keep your hand on that. Now you must go home to get ready for hunting. You may take my knife. Tomorrow you should go hunting on the ice."

The man went home remembering all the things that the raven king had advised him. When he arrived home he did those things. In the morning he woke up early and went out onto the ice. Within a short time he came upon a small spot of open water—a seal breathing hole. Sitting down on his stool, he waited and, sure enough, a seal came along. This time he successfully harpooned the seal and caught it.

The following day he tried hunting on the land. He found a herd of caribou close by. Some of the caribou ran toward him when they saw him enabling him to catch them easily.

From that day on, the man hunted and caught an animal every single day. He grew richer and richer and became a happy man with a good hunting knife.

## Welfare Rules...

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purposes of federal and State laws under which AFDC money is appropriated are violated by paying less to a child's own family for his care than a foster home would get.

It is alleged that AFDC "is intended to provide financial assistance to needy children and parents or relatives with whom they are living and to maintain and encourage family life," but that these purposes are discouraged by "paying a greater dollar amount for care of a child in a home apart from his parents or relative than he would receive if he lived with them."

David H. Getches, a CILS attorney representing the plaintiffs, stated that "Kathy is threatened with being punished because her family is too poor to insure her regular attendance and to supply those things necessary for her satisfactory progress in school.

"It is made worse because the county and state which is about to punish her for her truancy could cure the cause of problems—poverty—and is willing to do so, but only if she is taken from her family and put in a foster home!"

Indian children are frequently the victims of foster homes place-

ment because of their families' poverty, according to Getches.

He stated "Families are broken up essentially because they are poor and can't get a child to school or give him adequate support in pursuing his education because of lack of transportation, insufficient money for school clothes and school supplies, or because crowded and unsanitary living conditions cause poor health or fatigue in the child which retard his normal progress.

"It is ridiculous to pull a child out of his own home because his family is too poor, and then to take the money that might solve the poor family's problems and give it to another family to use to care for the child."

Getches asserted, "This practice shows no reverence for the family whatsoever. The family unit is an important part of most societies, and this is especially true with Indians."

California Indian Legal Services is a non-profit corporation funded by the Office of Economic Opportunity to provide legal services relating particularly to Indians. It is part of the federal anti-poverty program.

## LEGAL ADVERTISEMENT

INVITATION FOR BIDS  
STATE OF ALASKA  
DEPARTMENT OF HIGHWAYS

SEALED bids in single copy for furnishing all labor, materials, and equipment, and performing all work for Project F011-1(6), Kodiak Pavement Repair and Insulation Installation, located in Kodiak, will be received until 2:00 p.m., prevailing time September 11, 1969, in the Commissioner's Office, Department of Highways, Island Center Building, Douglas, Alaska.

This project consists of repairing 575 feet of existing roadway and installing insulation board in proximity of the existing water line, on Rezanoff Drive.

Principal items of work consist of the following: 1,400 cubic yards of unclassified excavation; 640 tons of crushed aggregate base; 620 tons of subbase, grading B; 532 cubic yards of selected material; 335 tons of hot bituminous pavement; and 3,324 square feet of insulating existing water line.

All work shall be completed by October 15, 1969.

Plans and specifications may be obtained by all who have a bona fide need for them for bidding from the Commissioner of Highways. Plans may be examined at Department of Highways District Offices in Anchorage, Fairbanks, Juneau and Valdez.

Robert L. Beardsley  
Commissioner of Highways  
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