

## ***BUSINESS BRIEFS —***

### **Bering Straits predicts turn around**

Bering Straits Native Corporation released its financial statement for the 1979. The statement of operations shows a loss of \$3,563,000 as compared to \$6,036,000 for the year 1978 as restated. The loss is made up of \$2,579,000 interest expense and \$984,000 loss from operations net of other income.

Bering Straits has been considered a financially troubled Corporation. 1979's financial statement confirms George Walters', President of the corporation, 1979 prediction that in three to five years the corporation will have turned around its financial difficulties and that it will emerge into the black. This can be seen in the comparison of the statements of operations over a three year period. In 1977 the Corporation's statement of operations showed a loss of \$21.4 million, 1978 showed a marked improvement with a loss of only \$6,036,000, and 1979, as mentioned above, showed an additional decrease in the amount of loss to \$3,563,000.

According to the management, the financial difficulties of Bering Straits cannot be

solved in a short period of time and they are continuing to cut overhead and other expenses and as they look to develop new sources of income. As mentioned under 1979 Highlights, in the recently released financial statements, one possible major development for Bering Straits Native Corporation is that the State of Alaska is proposing to pay off the royalties due to all the Native Corporations in a lump sum in 1980. This action, if taken, could save the Corporation millions of dollars in interest expense and contract payments. More than 50% of 1979's loss, as shown on the statement of operations, was interest.

The future of the Native Corporation will depend largely upon resource development of the subsurface estate and the development and/or sale of the real estate which it owns in various communities throughout Alaska. The Corporation is now negotiating mining agreements for resource development and assessing its real estate holdings to establish means of converting those assets into new sources of income.