

# Oil Companies Sue to Block North Slope Borough...

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directly concerned in the suit. Atlantic Richfield also announced that they have no plans to join in any litigation.

Tundra Times placed phone calls to Mobil Oil Company's legal department both Monday and Tuesday but were unable to find a source who could apprise the newspaper of the company's position in regard to the suit.

Oil companies deny that they are in cahoots with the State in the suit, although the decision to file is apparently recent.

Their petition claims that the Local Boundary Commission did not give adequate notice to parties involved in its hearing on borough formation and that the Commission has no jurisdiction to conduct a meeting for the purpose of taking testimony in support of a petition to incorporate.

It is also claimed that such a meeting violates the due process clause of the 14th Amendment of the U.S. Constitution, that no adequate record was maintained of the proceedings, and that the Commission did not adequately prove that the borough would meet the standards for incorporation.

Attorneys handling the suit for the oil interests are Holland and Thornton and Ely; Guess and Rudd.

Last Thursday, March 23, State Senator Willie Hensley in Juneau charged that the Egan administration was secretly urging the oil industry to file suit against the formation of the proposed North Slope Borough.

Sen. Hensley, a Kotzebue Democrat, said that his discussions with representatives of several oil firms had given "the

distinct impression that the Attorney General's office was encouraging a suit."

In response, Attorney General John Havelock said he "categorically deny that I have ever encouraged anyone to file a lawsuit against the borough."

"I have a sense," Havelock said, "that I'm being used as a pawn in Sen. Hensley's game with the industry on the North Slope Borough question."

Hensley commented on a discussion he had with oil company representatives during legislative hearings on pipeline proposals about two weeks ago.

"I got the distinct impression from them that they had anticipated that the State would take care of the North Slope Borough problem," Hensley said. "They were highly put out at the administration for not having been successful in that, and were trying to decide whether to file suit."

The Local Boundary Commission last month approved a petition for formation of the borough. Only a vote of area residents is required to ratify its creation.

Egan's unorganized borough package, Hensley said, was intended as the answer to the borough and taxation problems. The governor last week withdrew from legislative consideration the 15 mill unorganized borough tax, but asked for continued deliber-

ation on the 22 mill oil property tax and his plan to divide the unorganized borough into administrative units.

In a letter addressed to Sen. John Rader, Chairman of the Local Government Committee, Governor Egan discussed several aspects of the unorganized borough legislation which he had requested to be placed before the Legislature.

He referred to the "accident of location of natural resources" which led to great disparities among regions in the amount of revenue which may be raised by ad valorem taxes.

"Because of the nature of the property involved, the disparity in wealth bears little or no relation to the relative need for services among the various areas," the letter states.

"With the prospect of revenue from oil severance taxes and royalties receding daily, it is my firm belief that the State cannot afford a cavalier attitude toward any source of public revenue."

He added, "We recognize that major development in the unorganized areas will proceed only after the oil transportation problems presently plaguing the State are resolved, and only when investment activity stemming from the Native Claims Settlement begins."

He proposed further study of the practical and legal aspects of the ad valorem tax in the unorganized borough and recommended hearings to elicit public sentiment.

"A relatively short delay in implementation of this tax measure could yield significant benefits in terms of certainty and equity in its operation," Gov. Egan concludes.

"The thrust of the administration's proposals regarding the unorganized borough was the attempt to spread the wealth of the facilities and property," Hensley said. "I believe the State would like to retain control over this area in order to gain some time and come back next year."

"The State apparently is urging some of the oil companies to file suit, and this is unfortunate, because the State is going to have to be defending the decision of the Local Boundary Commission. I can imagine what kind of defense they're going to get when you have the Attorney General's office urging that the suit be filed."

Atty. Gen. Havelock said he had heard rumors that a suit might be filed and had mentioned the matter with oil company representatives "very much in passing."

"I believe that Sen. Hensley feels that, perhaps justly, by beating a drum, he is going to forestall such a suit," Havelock said. "He thinks if he launches into such a personal attack showing the vehemence of his view will cause the companies to reconsider their plans."

Obviously, Senator Hensley's charges have not had this effect. The suit has, in fact, become a reality.

Havelock said the unorganized borough legislation never was intended to block creation of the borough. By "attacking the governor's various proposals, Sen. Hensley may be short-changing the Native people who don't live in the North Slope Borough," he said.

"Our job is to defend government agencies, and we always do that with enthusiasm. I am aware that many people like to project their feelings that the Attorney General isn't going to defend them, but we will, with all the resources at our command."

"But I will point out," Havelock added, "that enthusiasm

doesn't do you an awful lot of good if you don't have a good case." Havelock said that because no suit had been filed, he had no idea what arguments might be made for the borough.

On Monday, March 27, Sen. Hensley confirmed his position in a phone conversation with the Tundra Times. "You read the Attorney General's reaction," he said. "I suspected that would be his reaction."

Nevertheless, the Senator reiterated his charges against the oil companies. His reason for acting, he said, "to alert the State and the oil industry to the fact that there had been some collusion, that they might reassess their plan to file their suit."

"Of course the oil companies would rather have an unfettered activity up there on the Slope." Still, Sen. Hensley felt their fear about the formation of the borough is an unfounded fear.

"Arctic Slope people," he said, "while they would not know to the industry would be very reasonable in working out fair legislation while still protecting the subsistence economy."

Joe Upicksoun, president of the Arctic Slope Native Association, was contacted before the suit had been filed. At that time, the reports were still in the nature of a rumor. If the rumors were to prove true, Upicksoun said, "It would show the world how shameful the oil industry could be in denying our children a high school education."

Upicksoun was referring to the hopes that borough status would bring better upper education for the area's young people.

"There is no high school in the entire Arctic Slope area." Neither Barrow, Point Hope, Wainwright, nor Anaktuvuk have schools going beyond the eighth or ninth grade. "The Alaska State has taken a million dollars in revenue from our area and returned nothing to it," said Upicksoun.

With the formation of the North Slope Borough, "We would have self-government, we would have government closer to home."

This action by the oil companies moves that time farther away for the North Slope people and marks the beginning of a long legal fight.

## SATELLITE

The State Operated School satellite broadcast has regular Monday night broadcasts for local news from villages served by the satellite.

On March 27, villages told of winners of dog team races at Hughes. Bill Williams was first in the men's dog races, Warner Bergman first in men's showshoe races, and Henry Beatus first in the men's snow-g races.

Results of the Tanana women's races; Stella Hamilton from Allakaket first in women's dog races. Broadcasts over the satellite will carry results of the Tanana and Chalkytsik races the first weekend in April.

Local news of hunting was given by Hooper Bay. Roland Hill, Sr. said that Hooper Bay men were hunting five kinds of seals, using boats. Some men were using kayaks. Roland Hill said that harpoons were being used to get the seals.

Local news over the satellite is broadcast every Monday night at 7:00 to the following villages: Allakaket, Anaktuvuk Pass, Arctic Village, Barter Island, Bethel, Chalkytsik, Emmonak, Fort Yukon, Hooper Bay, Huslia, Nulato, Barrow, Ruby, Steven's Village, Tanana, Venetie and Kotzebue.

## Regional Movements...

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Interior."

They worked around the clock, hiring Robert Jenks, a former director of the Fairbanks Bureau of Land Management office, to guide them.

With that problem in hand, they've dispatched a 12 man team to travel to all their villages to explain the settlement and find out how the people want to use it.

"Right now I'm working on a management training program to work with selected village people who will eventually be involved with village corporations. We're going to give them an intensive training program in bookkeeping and accounting and we're doing the same with regional corporation personnel so when the time comes, we'll be ready."

"I think eight percent is very low interest to pay for a two year head start." With such a start, the Athabascans may soon find themselves in the first ranks of powerful regions. And Sackett would seem an excellent choice to lead the march.

He was born in Cut-off, 16 miles north of Huslia, and raised in country so spongy his family often had to nest in their food cache until the river subsided.

They lived by subsistence hunting and fishing and Sackett recalls the land provided well. When he was seven they moved to higher ground in Huslia with the rest of the Cut-off people and built a school.

His father died when he was eight but his mother was a strong woman and determined young Sackett would be able to make his way well in the outside world.

In 1959 he was admitted to Sheldon Jackson where he washed dishes, waited tables, worked his way to a good job in the student store and finally graduated as valedictorian of his class.

That same year he also won the state American Legion Oratorical Contest and a trip to Seattle and Moscow, Idaho.

He recalls the trip as a wonderful experience, "although I'd never, never go back to Moscow, Idaho." It left him with a desire to see more of the south '48 and so he enrolled at the University of Ohio (at the suggestion of a teacher who'd been there).

Because of a lack of money he stayed outside only a year but he managed to travel to the east coast and see a lot of the country.

He enrolled at the University of Alaska just at the beginning of the native movement; became active first in the Fairbanks Native Association and then Tanana Chiefs. At the age of 21 he was elected to a three year term as

president of the Chiefs.

At first he worried that his youth might be a handicap.

"In the Athabaskan culture you respect age. As a younger person all you do is listen. But I feel older people at that time realized additional input might be needed, even from a younger person, to cope with the problems, and on this basis I felt I was accepted."

He also filed for legislature at the age of 21.

"I was in college with no money at all. I had to travel and write and depend on other people. I had no money for any media advertisements..."

But he got elected on the Republican ticket and was appointed to the powerful House Finance Committee.

Since the native vote is generally Democratic, Sackett is sometimes called upon to defend his party standing. He will - if pushed - describe himself as a capitalist and notes that his parents were also Republicans.

"I never regretted it in any way. I think my being in the Republican party assisted in some small way to teach them a few of the things they weren't initially interested in."

But legislature wasn't compatible with his college schedule.

"I'd enrolled for my last semester when they called a special session of legislature for the Fairbanks flood and I had to drop out. Then my mother was ill and I stayed with her until she died. By then I wasn't very interested in school."

He did a lot of traveling-New York, Europe, Mexico, California. Then he bowed out of politics, settled a year in Galena where he ran a successful lodge and store.

This winter he came to Anchorage to finish off his final semester of college.

For a while he toyed with the idea of another legislative term, turned down a \$27,000 a year job then finally decided to go with the Tanana Chiefs, despite the two year term and the fact there was no guarantee of a salary.

"I felt a need, probably more within myself, to try and make some contribution. The fact was we didn't have anyone specifically in the business field who might be interested, so I came back to the University and got my degree in business administration and plan to give it at least two years."

(It will be a gain for the Tanana Chiefs and a loss for the Tundra Times as we suspect Mr. Sackett won't have much time to write for us in the two years ahead and we've been enjoying his articles.)

## ALASKAN...

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people in trouble." And Judge Dimond was hailed as "a man of all Alaska."

Proceeds from the banquet go to a scholarship fund for deserving Alaskan residents. This year's winners were Mrs. Carolyn Justina Kalkins of Holy Cross and Agnes Lucille Pete of Bethel.

Mrs. Kalkins is a self supporting mother of six. She is in her junior year at Alaska Methodist University majoring in elementary education and hopes to become a counselor.

Miss Pete is the oldest of six children. A freshman at the University of Alaska, she is president of the U of A Native Group.

## Air Force...

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officials of the Interior Department and BIA. They plan also to meet with Alaska's congressional delegation.

The Alaska Native Claims Settlement Act gives organized cities a two mile buffer zone in which Native groups are not allowed to select land, if the city chooses.

"But the city of Kenai has indicated that as far as we are concerned the Natives can come into the two mile zone or into the city if they need to for their selections," said Glosfelty. "We're leaving the option open."

Native groups have indicated interest in making the initial main program an educational one with Boarding Home programs which could take up to 200 students this fall and community college courses in the vocational field.

All Air Force activities are to be completely withdrawn from the base by June 1, 1972.

In a meeting last Thursday at Kenai, Native, city and borough officials met with representatives from the offices of Governor Egan and Attorney General John Havelock and came to an initial agreement to secure the land for ongoing educationally oriented programs.

Now they must explore the federal channels through which this might be accomplished.