

AFN 1200 Housing Units Threat to ANICA Stability?

By MADELYN SHULMAN
Staff Writer

The AFN plan to build 1200 housing units in bush areas this year may threaten the financial stability of ANICA, Alaska's oldest native cooperative.

Alaska Native Industries Cooperative Organization is an association of 40 village cooperative stores which joined together to facilitate purchase, shipping and administration.

The new housing units will increase several fold village requirements for heating oil in the coming year. Until the initial money for heating oil comes in ANICA has no money to pay for shipments of heating oil to the villages.

Under the coop system, villages pay a 50 per cent deposit

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on the goods they will buy each year. With this money, ANICA manager Don Dorsey and his staff in Seattle purchase needed supplies and arrange for shipping, mainly on the BIA ship North Star's two trips per year.

The money with which villages purchase their goods pays off what is left on last year's goods. A sudden increase in an expensive commodity such as oil, with no extra funds to pay for the first year, could bankrupt ANICA.

At their Board meeting last week in Anchorage, ANICA directors spoke with representatives of Standard Oil, Alyeska Investment and the Alaska Federation of Natives seeking loan money to allow them to pay for the first year of increased oil usage.

"In the past, too often, a village or an agency will build a clinic, a larger school or other public building. Then, come September, they want to know where they're going to buy their fuel oil. Our orders were in long before and we don't have the surplus capital to get it up there for them," explained Dorsey.

Alaska Village Electrical Cooperative, with its small generating facilities, faces the same problem with extensive new housing. The new AFN houses will require a great deal more electricity than those they replace. This means more generating capacity, more capital outlay, more fuel to power the generators.

Another threat to ANICA is that the North Star, the BIA supply ship might be replaced by commercial means of transportation.

According to Don Dorsey, two commercial supply lines with military contracts on the Arctic Coast are looking at native villages as a potential market. With the decrease in Defense Department sites in Alaska, native cargo could turn a barely profitable trip into a very profitable one.

According to Bob McLean, Director of the Liaison Office of the Bureau of Indian Affairs in Seattle there has been no plan to put the North Star out of commission.

At the present time, reports McLean, his operation is undergoing a periodic review by auditors from the General Accounting Office, which oversees all government agency finances. At

present, he says, there has been no final report, although the auditors will compare costs of the North Star with commercial freight lines.

Despite its long history of native self help, ANICA is not very well known in Alaska. Mainly, this is due to the firm's main office being in Seattle, rather than in Alaska.

"Many people in our villages still don't know that they own their own village store," explained the manager. "After twenty-five years, they still don't know who they buy their goods from."

While it is completely self-supporting, ANICA has been seeking some funds to pay for business training for its store managers and to cope with the tremendous volume of business expansion in the villages will bring. Since the food stamp program was introduced in Alaskan villages, there has been a tremendous upsurge in the amount of goods native villagers must stock.

Despite setbacks, in the past year, ANICA has expanded to buy a large commercial store in Bethel and build new stores in several villages in 1971.