

Spending of Lease Sale Revenues . . .

(Continued from page 2)

under any commonsense reading of the State Constitution revenues of this kind can be placed in a permanent trust fund for the permanent benefit of the State.

Only in this way can we keep faith with the Alaska citizens of today and of future generations. We are selling part of Alaska in these oil leases and the State will shrink in total value as the oil is drained away. To sell our State piecemeal (as we have been doing, for small potatoes) and then to fritter away the proceeds on spending programs under whatever heading would be indefensible financially and morally. Under a spending binge, however rationalized by those seeing momentary financial or political benefit, this modest windfall will disappear in a few years, leaving behind regrets, recriminations, and a lot of empty holes where our capital assets used to be. For centuries one of the soundest maxims in the financial world has been "Never touch your capital!"

For many years, both as a territory and as a state, Alaska has been doing just exactly this, expediently and irresponsibly and with no discernible thought

to the future. Some natural resources are automatically self-renewing, either in short term or long, but oil is not. Once taken from the ground it is gone forever. One recent and continuing example of a wasted State capital asset is offered by the billions of cubic feet of natural gas which the State has permitted to be blown into the air or burned off at the Cook Inlet oil fields in the past decade without royalty, tax, or return of any kind. This was inexcusable mismanagement of Alaska's natural resources, and yet the State administration of the early years allowed this waste to start and to continue in ever-increasing volume as an accepted corollary to the avid pursuit of the inadequate dollar which came from the oil. It should be noted too that the capital asset equivalent dollars which came from all of the previous oil lease sales went right out in current expenditures of the State, thus compounding the poor management. This waste of natural gas still goes on and it should either be summarily stopped or taxed at such a high rate as to force its productive use or restorage for future sale.

However, the many millions of dollars in irreplaceable State resources which has been permitted to vanish into thin air with nothing to show for it is not the subject of this private citizen's "position paper." The waste has been criticized by responsible citizens for years and the whistle is going to have to be blown on it soon, by someone.

Our concern here, rather, is that the mistakes of the past not be made the pattern for the future. I would like to help assure that the \$900 million coming from the sale of a part of Alaska is kept inviolable and intact, and invested for the highest possible safety of principal, the maximum return in earnings and appreciation, and to the greatest overall benefit of the State of Alaska and its citizens. This primary determination to maintain the principal sum untouched and fully invested and to use for State purposes only the income therefrom is the most important decision the State will make on the oil money and the first one it should make. Invested prudently for safety first and other considerations second, \$900 million in principal can return fifty to sixty million dollars per year in perpetuity, which will be long after the time when all the oil companies will have folded their tents and derricks and departed from Alaska's emp-

ty oil fields.

It is recognized that no administration or legislature can bind a future one. However, an announced decision now to hold this fragile sum in permanent public trust for the benefit of present and future generations will so commend itself to thinking people (and most of our fellow citizens are) that it would be a rash administration or legislature indeed that would consider tampering with the Oil Permanent Fund in the future. A fifty-to sixty-million-dollar running start on every annual state budget extending without foreseeable end into the years to come should certainly be enough for any state administration and any legislature. A decision for an Oil Permanent Fund will be the single most important step Governor Miller can take during his time in office and I commend it to him. This initial decision should be accompanied by a companion recommendation that all future lease bonus money also go into the Oil Permanent Fund, as well as at least the greater part of the oil and gas royalty revenues.

If our State is wise enough to adopt this course, we can have on the finest terms in any money market all the good things we need and still keep our nest egg and its great earning power intact for future generations. To spend even a dollar of our capital is to lose forever both the dollar and its earning power.

If there were no other way to obtain the things Alaska and its citizens need, then the reasonable and prudent man would have to weigh the present benefit against the future. However, in our fortunate situation the very existence of this fund will always guarantee that we can borrow the money we need for capital improvements or other public purposes at a far lower interest rate than the invested fund will earn. In another context, this is the fundamental principle of the banking business and a very good principle it is. Any individual who spends his high earning

capital for purposes a low cost loan can accomplish should have his head examined, and this applies with even greater emphasis to a state or other local government.

By leaving the Oil Permanent Fund as the continuing backup of the State's credit standing, our State bonds will carry a prime rating and we can readily borrow the money we sensibly require at one, two, and even three per cent lower interest rates than the most cautious and prudent investment of our Oil Permanent Fund will return in interest, dividends, and appreciation. With the exercise of some financial wisdom and foresight now, we can actually have our cake and eat it too, indefinitely into the future.

In addition to the foregoing sound and sensible reasons, the preserving of our oil lease bonus money wholly intact and fully invested would be an act and example of such excellent financial acumen and responsibility that it would command the admiration, respect and interest of the world, financial, economic and political. The benefits here would be great, continuing and of infinite variety. To mention just a few in this already lengthy paper, the economic climate can be made vastly more attractive to business, industry, and the individual, including those already here and those to come. With a sixty-million-dollar-and-up head start on the State budget every year, accompanied by responsible common sense financial planning and some overdue tax law changes in the public interest, it will also be quite possible to lessen and eliminate some of the tax burden and annoyance for the hundred thousand individuals and thirteen thousand businesses that have been paying numerous and substantial taxes for a long time now with admirable forbearance and stoicism.

Another very great benefit would be found in the psychological uplift and confidence a permanent state surplus would

BIA Permitted A.F. Site Use At Unalakleet

WASHINGTON, D.C., Nov. 19—The Bureau of Indian Affairs has been granted a use permit for the aircraft warning site at Unalakleet, Congressman Howard W. Pollock said this week.

The site was closed down earlier this year by the Air Force. Pollock has been working with federal officials in an attempt to obtain the site for a school or similar facility.

The Alaska Congressman was informed of the use permit by Secretary of the Interior Walter J. Hickel.

Hickel told Pollock the Alaskan Air Command had granted the BIA a use permit for the Unalakleet station for at least one year. This, Hickel said, would allow for an in-depth bureau study of possible uses to which the Unalakleet site could be put.

Frank Degnan, president of the Unalakleet Village Council, has asked assistance from the Alaska Congressional Delegation in obtaining the Air Force facility to use as classrooms and dormitories for Native students.

A broader possible use appears to be under consideration, however. Hickel told Pollock there appears to be a need to relocate some villages because of the danger of flooding during high tides and that such a possible use merits thorough review.

bring to all Alaskans, now and in the future. In fact, the more one considers this closing thought, the more profound and valuable the continuing impact looms.

ANCHORAGE Hotels - Motels

Parson's Hotel
3rd & H Streets
272-6417

Roosevelt Hotel
539 H 277-5541
Rates \$7-\$12

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 F-031-2(13), Potter to Dowling Road, described herein, will be received until 2:00 p.m. prevailing time, January 8, 1970 in the Commissioner's Office, Department of Highways, Island Center Building, Douglas, Alaska 99824.

This project consists of grading, drainage, and hot bituminous pavement on 8.3 miles of roadway, located adjacent to the City of Anchorage, Alaska.

Principal items of work consist of the following: 726,000 cubic yards of Muck Excavation and 154,000 cubic yards of Common Excavation; 636,000 cubic yards of Selected Material; 43,500 cubic yards of Crushed Aggregate Base; 16,700 cubic yards of Subbase A, and 47,000 cubic yards of Subbase B; 25,600 tons of Hot Bituminous Pavement; 3,100 linear feet of 24" Pipe Conduit; 61,200 linear feet of 6 foot Chain Link Fence; 715,000 square feet of Hydro-seeding Class II; Highway Illumination work, sump sum, all required; and miscellaneous items of work.

All work shall be completed by July 15, 1971.

Plans and specifications may be obtained by all who have a bona fide need for them for bidding purposes 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

Publish Nov. 28, Dec. 5, 12, 1969.

TUNDRA TIMES CLASSIFIED ADS GET RESULTS

Charge: 35¢ per line for first time, 25¢ per line for each additional time ad appears. (Approximately 5 words to line.) Minimum—2 lines.

LET'S TELL EVERYBODY about Alaska - every month - all year long! Give Christmas subscriptions to ALASKA (formerly Alaska Sportsman) Magazine of Life on the Last Frontier. Just \$6 a year for the first subscription; \$5 for each additional subscription ordered at the same time. We send gift cards. Order today! ALASKA MAGAZINE, Box 4-EEE, Anchorage, Alaska 99503.

SITKA ANB CAMP 1 meets every Monday at 8 p.m. at the ANB Hall. You are always welcome. Game nights are Tuesday and Friday.

FROM TIME TO TIME, the Bureau of Indian Affairs has vacancies for clerk-typists, elementary teachers, engineers, light plant mechanics and maintenance men. FOR QUALIFICATION requirements, immediate vacancies, and how to apply, write personnel officer, BUREAU OF INDIAN AFFAIRS, P.O. Box 3-8000, Juneau, Alaska 99801.

We Buy Copper, Brass, Aluminum, Lead, and Radiators. Any Amount—Cash Paid Promptly. Pick-Up at any Fairbanks Terminal. We are Mill Shippers. MATT'S SECOND HAND STORE, P.O. Box 1894, 1/2 Mile Richardson Highway. 456-5791.

LEGAL ADVERTISEMENT

NOTICE TO BIDDERS

Sealed tenders for a seven (7) year contract to operate the following concession: Limousine & Bus Service, at the Anchorage International Airport, Anchorage, Alaska, will be received at the Office of the Commissioner, Department of Public Works, Pouch Z, Juneau, Alaska, up to 2:00 p.m., P.S.T., on December 19, 1969, at which time and place they will be publicly opened and read.

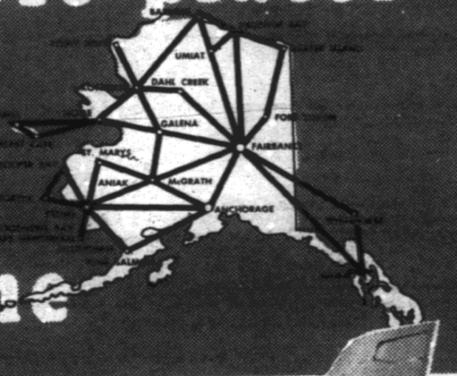
The contract documents manifesting the terms and conditions of this concession may be examined and/or obtained from the State Department of Public Works, Pouch Z, Juneau, Alaska; Division of Aviation, 4510 International Airport Road, Anchorage, Alaska; or Airport Manager, Anchorage International Airport.

The contract documents for this concession include the Instructions to Bidders, the Bid Proposal as submitted, an Affidavit, Concession Bond and this Notice to Bidders, all of which are incorporated herein by reference and made a part hereof and also made a part of the contract to be executed by the successful bidder for this concession.

All Bid Proposals shall be made on forms furnished by the State. The right is hereby reserved to reject any and all Bid Proposals and to waive any defects when, in the opinion of the Commissioner, Department of Public Works, such rejection or waiver will be in the best interest of the State.

DEPARTMENT OF PUBLIC WORKS
Pub. Nov. 28, and Dec. 5, 1969.

servicing more places
in Alaska
than any
other airline



54 COMMUTER FLIGHTS WEEKLY BETWEEN ANCHORAGE/FAIRBANKS

... ALL BOEING 737 JETS



Wien Consolidated

See your travel agent or local Wien Agent



ALASKA'S FIRST AIRLINE FLYING AMERICA'S NEWEST JET