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ECONOMIC, ADMINISTRATIVE AND ENVIRONMENTAL CONSEQUENCES

OF THE ALASKA LAND FREEZE

by

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A practicum submitted in partial fulfillment
of the requirements for the degree of
Master of Science
(Natural Resources Administration)
in The University of Michigan
1970

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ACKNOWLEDGMENTS

First of all I wish to express my appreciation to my employer, the Bureau of Land Management, for sponsoring a most rewarding and exciting year of mid-career study at this University. Also to BLM State Director Burton Silcock and the staff in Alaska whose hospitality and helpfulness in the preparation of this paper were deeply appreciated. I look forward to joining them in the "land of the midnight sun." Sincere thanks are also due my committee, Professors Bulkley, Cain and Schramm, for their guidance and review during the preparation of this paper. My special thanks go to Professor Bulkley who in addition to serving on my committee has been my advisor and friend since last August. Finally, and above all, I thank my family, Patricia, Stephen and Kimberly for their patience and support while "Dad" was a student again.

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CHAPTER I

INTRODUCTION

Alaska today presents many opportunities and many challenges to the land manager. It is an awakening giant. Still mostly an undeveloped wilderness, its mineral wealth forms the basis for a boom economy in the 1970's. Efforts to develop that wealth and efforts to protect the natural environment often are in conflict. With most of the land in government ownership, both federal and state, public land managers have the opportunity to guide and shape development in Alaska in a direction avoiding mistakes made as the "lower 48" developed. Plans to develop major oil reserves discovered near Prudhoe Bay, the so called "land freeze," and activities of Committees on Interior and Insular Affairs of both houses of Congress have been of continuing interest. Tied in with all of this, and the basis for much of the controversy, is the problem of claims to the land by aboriginal inhabitants of the state, the Eskimos, Aleuts and Indians. These claims are in direct conflict with much of the proposed development.

In December 1968, all vacant public lands in Alaska were withdrawn from entry to preserve the status quo while Congress considered settlement of the native land claims. This withdrawal includes around 272 million acres, about three-fourths of the state. Since other federal lands in Alaska were already withdrawn or reserved for some purpose such as wildlife refuges, national forests and military reservations, the 1960 withdrawal completely removed all federal lands from development in the

state. It expires at midnight, December 31, 1970.

This withdrawal, and the consequent suspension of federal land transactions, has created considerable controversy ranging from local and editorial opinion at the community level in Alaska to deliberations in the committees of Congress. The purpose of this paper is (1) to briefly look at the background of the withdrawal, (2) to define some of its effects in the economic, administrative and environmental areas and (3) to use (1) and (2) as a basis for some consideration of what action should follow its expiration at year end.

Background

Alaska, our largest state, was purchased from Russia in 1867. With an area of over 375 million acres, it is nearly one-fifth as large as the entire lower 48. After more than 100 years since its purchase, over 95 per cent of Alaska remains in federal ownership.¹ In fact, up to the time of statehood, less than a half million acres had passed from government ownership. Since that time, this has risen to slightly over 6.5 million acres, most of it patented² to the state. Over the years large areas of the public domain totalling about 86 million acres have been reserved for public purposes. A balance of about 272 million acres remains in the vacant public domain under jurisdiction of the Bureau of Land Management. It is these lands that are affected by the land freeze.

¹U.S., Bureau of Land Management, Public Land Statistics 1969, Table 7, p. 10. Other statistical information in this paragraph from BLM files.

²A patent is a document transferring title to government land. Essentially, it is a warranty deed from the federal government.

Natives

Besides the Russians and a few other whites living in the region at the time of purchase, there were the native Alaskans who had occupied the territory in varying degrees since before Alaska was discovered by Bering in 1741. These were the Eskimos, Aleuts and Indians, and each group occupied a more or less distinct region of Alaska. Generally the Aleuts lived on the lower Alaskan Peninsula and the Aleutian Islands; the Eskimos in western and northern Alaska, generally in the coastal region; and the Indians in the interior and southeast.³ Natives still live on essentially the same land they occupied before coming of the white man.

The Alaska Purchase Treaty contains two sections, Articles III and IV, relating to rights of the residents. If they chose to remain in Alaska, Russian colonists and natives associated with them were to become United States citizens and receive all benefits of citizens, including property rights. Other natives, called "uncivilized native tribes," were to be subject to laws and regulations that the United States might adopt in relation to them.⁴

The following Article IV is in effect a warranty clause that declares the Alaskan territory conveyed from Russia to be free of encumbrances and reservations except for "private and individual property holders."⁵ Taken at face value, this article could be said to convey a title free of any claim to large areas by native groups. An obvious question following this relates to whether or not Russia had that good a title to convey.

³U.S., Federal Field Committee for Development Planning in Alaska, Alaska Natives and the Land, p. 5.

⁴Alaska Purchase Treaty, 15 Stat. 539, Article III.

⁵Ibid., Article IV.

Subsequent events culminating in the current consideration of native claims legislation in Congress amounts to a recognition that title was not that clear.

How were the rights of the "uncivilized tribes" to be defined? In the continental 48 states, Indian rights were usually defined by treaty, often as a result of conquest. Indian tribes were recognized as sovereign nations, and the treaties were agreements between two sovereign states. This course was not followed in Alaska. Less than four years after the Alaska Purchase Treaty was ratified, Congress passed legislation stating that no tribe or nation within the United States would henceforth be recognized as an independent nation with whom the government would contract by treaty. Pre-existing treaties would continue to be honored.⁶ The treaty route to a solution was thus formally closed.

The Alaska Organic Act of 1884 established the Land District of Alaska. Among other things it specified that natives would not be disturbed in their possession of lands actually used or claimed by them ". . . but the terms under which such persons may acquire title to such lands is reserved for future legislation by Congress."⁷ Although subsequent legislation relating to Alaska touched on corners of the native question, the basic problem has continued to be "reserved for future legislation by Congress."⁸ This situation prevailed at the time of the Alaska Statehood Act in 1958. In Section 4 of this act, the new state disclaims any right to native lands and property, but there is no definition of these rights. The matter of

⁶Act of March 3, 1871, 16 Stat. 544.

⁷Alaska Organic Act of 1884, 23 Stat. 24, Section 8.

⁸For example, Alaska Native Allotment Act, 34 Stat. 197; Indian Reorganization Act, 48 Stat. 986; Johnson-O'Malley Act, 49 Stat. 1250.

native rights was held "for future legislative action or judicial determination."⁹ Thus after more than one hundred years of American rule in Alaska, the rights of native Alaskans in the land remains undefined. Recent estimates indicate there are about 53,000 Alaskan natives.¹⁰

Development

Equally important to an understanding of the land freeze and perceptions of it held by Alaskans is a brief discussion of stages in Alaska's development. Beginning with its discovery and continuing to a certain extent to the present, Alaska's economy has been of a colonial nature. People came to Alaska to mine its wealth. Gold, salmon and copper provided the base for an economy grounded in extraction and exploitation of raw materials. Although the resource base changed, much of Alaska's development has had the same motivation. Alaskans have long resented the non-resident nature of their economy, its labor as well as its capital. It is the problem faced by colonials everywhere who neither control nor realize the profits from their resources. It is worth noting here that Alaska's new found wealth of oil will also be developed by outside capital, mostly by outside labor, and will be exported as a raw material. In an attempt to partially counter this extractive nature, some laws and regulations require at least primary processing before resources can be exported. For example, timber from national forest and state lands is not exported as round longs. It must be manufactured into pulp or cants.¹¹

Shortly before World War II, the basic economy of Alaska shifted toward defense and defense related construction. Military expenditures continue

⁹Alaska Statehood Act of July 7, 1958, 72 Stat. 339.

¹⁰Alaska Natives and the Land, p. 5.

¹¹A cant is a timber sawed on at least three sides.

as a major economic backbone of the economy. In 1969, there were more military personnel in Alaska than the total of all workers in farming, forest industries, fishing, minerals, construction and manufacturing combined. If direct employment of civilians by the military, including direct contract expenditures were added to this figure, the military dominance of Alaska's economic life would be more apparent.

An economy based on the extraction of natural wealth by non-resident workers and corporations and on military expenditures naturally leads to problems and resentments by permanent residents. Alaskans generally blamed their lack of economic independence and commensurate development on their territorial status and sought to solve these problems by becoming a state on equal footing with the lower 48. Problems of location, climate, capital and labor are not that easily solved, however, and much of the colonial problems and attitudes remain in Alaska. There is a tendency to blame the federal government for unsatisfied needs; yet when the government does step in and provide leadership, it is accused of meddling in state and local affairs. Hopefully, petroleum will in time provide a stable resource base that will allow development of a locally based economy.

The point of this discussion as it relates to the land freeze question is that historical development of the state has shaped the attitudes of its people. Attitudes are changed slowly. Any action by the federal government, especially one such as the land freeze which may appear to be blocking progress just when the previously poor state is on the threshold of substantial new wealth, is bound to be resented.

Statehood

Statehood came to Alaska by Presidential Proclamation on January 3, 1959.¹² Terms of statehood were set out in the Act of July 7, 1958. Two provisions of the act that are of specific interest relate to native rights and to the grant of land to the new state. The postponement of a definition of native rights was discussed in a preceding paragraph.

Historically, new states have received a grant of land from the public domain. Unlike grants made to other states, the grant to Alaska was generally non-specific as to location. Earlier grants of over a million acres to the Territory of Alaska were confirmed. In addition the new state was authorized to select during a 25 year period 102,550,000 acres as a general grant and 2 community grants of 400,000 acres each, one to be selected from national forest lands and the other from the public domain. During the first five years (subsequently extended for an additional five years) the state could select lands that were under active federal mineral lease.¹³ In addition the state was given 90 per cent of the income from federal lands leased under the Mineral Leasing Act of 1920. Other states get only 37.5 per cent. The purpose of the land grant was to provide the state with a base for economic development and to make land available for this development.

The Land Freeze

Protests

In due course the new state began to select land to which it was entitled by the Statehood Act. Natives, seeing the land base for a

¹²Proclamation Number 3269, 24 F.R., p. 18, January 6, 1959.

¹³Alaska Statehood Act, Section 6, particularly subsections (a), (b) and (h).

settlement of their claims being eroded away, began to protest. The protests were an effort to define and establish native rights before the state was allowed to assert its claim to the same land. In late 1961 native claims or protests were filed to about 5,860,000 acres of land. The natives asserted their claim to the land and protested disposition of that land by the federal government. Initially protests were against only state selections, but later were against most other dispositions as well. In September, 1966 the Department of Interior announced the opening to oil and gas leasing of the public lands west of Naval Petroleum Reserve No. 4 on the north slope of the Brooks Range.¹⁴ Native protests were filed against this proposed leasing, and the department announced the suspension of leases on December 8, 1966. Lease offers would be accepted and drawings held to determine the successful offeror but no leases would be issued.¹⁵ By February 1970, 44 separate protests covered about 80 per cent of Alaska.

An idea of the scope of native protests in relation to the balance of the state is given in the following paragraph quoted from Alaska Natives and the Land.

Of the 272 million acres in the public domain, Natives claim 250 million acres; of the 85 million acres of land reserved by the federal government for specific purposes, they claim 75 million acres; of the 12 million acres thus far in process of selection by the state under the terms of the Statehood Act, they claim all but 100,000 acres; and of the 6 million acres already patented to the state or to private individuals, they claim 3 million acres.¹⁶

Although acreages have changed slightly with the filing of a few additional protests, the picture is an accurate one. Alaska is virtually covered by

¹⁴ 31 F.R. 12575, September 23, 1966.

¹⁵ 31 F.R. 15494, December 8, 1966.

¹⁶ Alaska Natives and the Land, p. 537.

native claims. Because of overlapping claims, the total area involved exceeds the entire area of Alaska.¹⁷

Because it is the practice of the Department of the Interior to withhold final action on a protested case until a finding has been made on the merits, final disposition of cases in areas of native protest was suspended. In effect, the land freeze began with the filing of native protests on an area. On a statewide basis it was a cumulative thing. Of many alternative actions available, a dismissal of the protests and the continued processing of state selections and other applications is most obvious. Such a course would have resulted in formal appeals which would have required a finding on the merits of a case before final action could be taken.¹⁸ The result would be essentially the same as procedures adopted under the protest.

Furthermore this would not have been consonant with the Alaska Statehood Act of 1958 which reserved the question for future action by the Congress. A letter from then Secretary Udall to then Governor Hickel on August 10, 1967 noted this and spelled out the general policy for the land freeze. The Secretary pointed out that to allow land title to pass from government ownership would preempt the right of Congress to make a settlement of the native land problem. This was particularly important since settlement bills were currently pending in Congress. Exceptions to the freeze could be made in clearly meritorious cases such as for public facilities. Under this policy, cases not in protest areas were not affected.

In 1969 the State of Alaska brought suit in Federal District Court for an order directing the Secretary of Interior to proceed with the state

¹⁷A map showing the area covered by native protests is included in the Appendix, p. 54.

¹⁸43 CFR 1840

selection process.¹⁹ A summary judgement for the state was granted, but the government appealed to the United States Court of Appeals for the Ninth Circuit. In its December, 1969 decision, that court remanded the case to District Court for a finding on the merits of the native claims.²⁰ The state's appeal to the Supreme Court was subsequently denied, and it is currently preparing to proceed with the trial in District Court.

This then is step one of the Alaska land freeze, an administrative action within the Department withholding final action on land dispositions in areas of native protest pending resolution of the native claim question.

Public Land Order 4582

Step two of the land freeze is the formal withdrawal of all unreserved public lands in Alaska from nearly all forms of appropriation for two years to allow time for Congress to act on the native claim question. This action was taken in the closing days of the administration of President Lyndon Johnson. The proposal was filed on December 13, 1968 and published December 14 allowing time for public comment. Final action, the withdrawal, was published as Public Land Order 4582 in the Federal Register of January 23, 1969.²¹ All unreserved public lands in Alaska are withdrawn from all forms of appropriation and disposition except the location of mining claims for metallic minerals. This latter provision was not one of choice but a necessity since the principal authority cited for the withdrawal, the Pickett Act of 1910,²² specifically exempts metallic mineral claims from its

¹⁹State of Alaska v. Stewart L. Udall, Secretary of the Interior, Civil Docket No. A-21-67, U.S. District Court.

²⁰State of Alaska v. Stewart L. Udall, Secretary of the Interior, et al., in the United States Court of Appeals for the Ninth Circuit, No. 23603.

²¹34 F.R. 1025, January 23, 1969.

²²Act of June 25, 1910, Section 2, 36 Stat. 847; as amended by the Act of August 24, 1912, 37 Stat. 497.

withdrawal provisions. Withdrawn lands are reserved under jurisdiction of the Secretary of Interior for determination and protection of native rights until midnight, December 31, 1970. State selections filed prior to January 4, 1969 for land under federal mineral leases (January 3 was the natural expiration of that right) or prior to December 13, 1968 (date the original withdrawal proposal was filed) for other lands would be processed under normal procedures to protect native rights. This meant that these selections were still subject to the pre-existing native protests and step one of the land freeze. However, applications filed before the cut off dates would be accepted and placed in suspense.

For 90 days after the withdrawal expires, the state has a preference right to select lands under its land grant. This preference is specified in Section 6 (g) of the Statehood Act and applies to all withdrawals on expiration or other termination.²³ Following the state's preference period the lands become subject to other forms of disposition. The final paragraph of PLO 4582 provides for its modification in cases that are clearly in the public interest.²⁴

In the subsequent change of administrations in 1969, Governor Hickel of Alaska became the new Secretary of Interior. After his nomination, Mr. Hickle was unfortunately credited in the press with several controversial remarks. In regard to the land freeze, he was reported to have said something to the effect of, "What Udall can do, I can undo." An Alaskan background and the press coverage were two strikes against Mr. Hickel in his confirmation hearings before the Senate Committee on Interior and Insular Affairs, particularly since that committee also had been considering bills

²³ Alaska Statehood Act, 72 Stat. 339, Section 6 (g).

²⁴ A copy of PLO 4582 is included as page 56 in the Appendix.

to settle the native claims. During the course of these hearings, he agreed to consult with that committee and also the corresponding committee in the House of Representatives before approving any changes to the public land order.

This then is the background for the land freeze problem. It can be seen that there are actually two land freezes. The first is the withholding of land actions by the Department due to native protests. It was a gradual freeze, growing as the protests grew. The second is the withdrawal of public land under PLO 4582. To a large degree the effects of both are the same, and the term land freeze is often used to include both actions. Unless a distinction is made, the term will be so used in this paper.

CHAPTER II

ADMINISTRATIVE CONSEQUENCES

The primary effect of PLO 4582 was to lock up all public domain lands in the state. It allowed no more state selections, no state highway rights-of-way, no timber sales, no grazing permits for reindeer or cattle, no gravel sales, no oil and gas leases, no power line rights-of-way and no airport leases. This was its intended effect, and all other consequences of whatever nature evolve from this.

From the start, there was confusion over how the Department of the Interior and Bureau of Land Management (BLM) would operate under provisions of PLO 4582. To a certain extent this continues to the present. This stems from the fact that the land freeze withdrawal has not been interpreted or administered as most withdrawals are. In the normal case, the withdrawing agency exercises management responsibility over the lands and surface resources. It will be seen below that this practice has not held with the land freeze. Compounding this, there have never been comprehensive clearcut instructions from the Department to BLM, and consequently none to the field offices, setting up working procedures. Rather, procedures have been worked out piecemeal by trial and error, sometimes on a case type basis such as rights-of-way for Federal Aid Highways and other times on an individual case by case basis.

Modification

In retrospect it is apparent that drafting of the original PLO 4582 was unrealistically restrictive. Regardless of the merits of native claims or Congressional considerations, life must go on in Alaska. The world would not stand still in 1970 because for nearly 100 years Congress had refused to face the task it had reserved for itself in 1884. To allow some activities to go on in Alaska, it has been necessary to modify the withdrawal order. A public land order is modified by a subsequent public land order.

In normal procedure an application, for example, an application for a right-of-way, may be treated as a petition for modification of PLO 4582. If the request is considered in the public interest, BLM's State Director in Alaska forwards it to the Director's office in Washington. From there it goes to the office of the Assistant Secretary for Public Land Management, acting for the Department, and finally to the Chairmen of the House and Senate Committees on Interior and Insular Affairs. At any stage in the process it may be returned for additional information or justification or it may be rejected. After consideration and approval by the committees, a public land order is issued by the Secretary modifying the original withdrawal to permit a certain action or type of action. Additional instructions from either or both committees may control administration of the modification. Examples are discussed below. There is no legal or technical reason why a modification could not be approved by the Secretary over the objections of the committees. This has not been done, however, and it does not appear administratively feasible.

The time for a modification to go through this process has varied from one month (Livengood-Yukon Road) to over ten months. Some have been

pending almost since the withdrawal went into effect and have not yet been approved. Seven modifications had been published by June 1, 1970. A summary of these is shown below in Table 1. It should be emphasized that a modification to the withdrawal is only an authorization for the Bureau of Land Management to consider a certain type application. It is not an action on the application nor an authorization of any action by the applicant.

TABLE 1
MODIFICATIONS TO PUBLIC LAND ORDER NO. 4582²⁵

Allowing	PLO No.	Date
Federal Aid Highways	4589	April 4, 1969
Powerlines for Native Villages	4668	June 10, 1969
Airport Leases & Conveyances	4669	June 16, 1969
Livengood-Yukon Road	4676	August 13, 1969
State Selection at Cold Bay	4682	August 28, 1969
Timber Sales, Grazing Permits	4695	September 16, 1969
Trans-Alaska Pipeline	4760	January 7, 1970

The first modification approved was to allow rights-of-way for Federal Aid Highways. In January 1969, less than a month after PLO 4582 went into effect, BLM's state office in Alaska discussed this question with the Washington office. On April 10, 1969, about three months later PLO 4589 was published in the Federal Register. This demonstrates the prompt handling cases may receive when all parties are satisfied that a real public need exists. The case by case review that has become almost a standard procedure with other modifications originated at this time. On March 25, Chairman Aspinall of the House Interior Committee wrote to the Assistant Secretary

²⁵Copies to these public land orders are included as pages 58 to 64 of the Appendix.

asking that he review each individual application for a highway right-of-way and that views of affected natives be secured prior to approval. The Assistant Secretary complied by setting up the following procedure.²⁶

Applications received by BLM are forwarded to the Area Office of the Bureau of Indian Affairs (BIA) in Juneau. BIA reports on the location of the project in relation to native villages, and if it is within six miles of a village, prepares an impact report. If within one mile of a village, the views and, for practical purposes, the consent of the village must be obtained. If in an area of native protest, the protesting native group must be consulted also. When these actions have been completed, BLM forwards the package to Washington for final action. This procedure is also followed for power lines to native villages and for airport leases. A similar procedure is used for timber sales except that timber sales must be forwarded to Washington only if the natives oppose the sale and there are compelling reasons (such as salvage) for cutting the timber.

Delays in Getting Modification

Almost as soon as it was signed, applications were being received for modification of PLO 4582 to allow work in Alaska to continue. Considerable delays have been encountered in processing these applications. At least in early 1969, this was largely due to the newness of the withdrawal, the lack of procedures for working under it, and a new administration. It takes times for lines of communication to develop and for thoughts to become coordinated.

One of the earliest private needs was for timber. Most of the "unreserved public lands" affected by the land freeze are not in areas of high

²⁶Memorandum from Assistant Secretary of the Interior to Director, Bureau of Land Management, April 30, 1969.

commercial demand. Rather the timber is cut to supply local needs for lumber, house logs and firewood, and much of rural Alaska, white and native alike, cuts its firewood from the public lands. In many places there is no other source. By March, 1969, BLM had several applications for house logs and saw timber. As spring advanced, many additional requests were received, particularly for fuel wood. Holders of permits in previous years again applied. Applications were forwarded up the line but got no results. In September, PLO 4695 authorizing timber disposals (and grazing permits) was published. However, it was not until mid-March, 1970 that the Assistant Secretary authorized the Bureau to proceed with timber sales and free use permits under the modification. By now most of the winter season had passed, and it was well over a year since the land freeze withdrawal had taken effect.

Government programs were held up just as much as small private needs. In July, 1969, the Director of BLM transmitted to the Secretary a request for action allowing federal programs to continue. At the time there were pending three requests by the Corps of Engineers and one by BIA for gravel; a right-of-way request by BIA for a road to connect the old and new villages of Nulato; a BIA request for school site; a request by the Alaska Health Service of the Department of Health, Education and Welfare for a water line right-of-way at Unalakleet; and another HEW request for right-of-way for sewage collection and treatment facilities at King Cove. The Director requested authority to grant rights-of-way to federal agencies, to issue special land use permits for such uses as storage areas and instrument sites, and to make withdrawals of land for uses not inconsistent with native rights such as school sites, water supplies, etc. Authority was granted on July 22 but rescinded on July 24. BLM was still unable on June 1, 1970, to grant permits for the above projects. Interest in several of these

projects is high and a number of inquiries has resulted. The Corps of Engineers faced with an expiring appropriation even appealed directly to the two Interior Committees.

Inability to obtain gravel has affected many projects in addition to the federal projects noted above. In June, 1969, PLO 4669 authorized the granting of leases for airports and related facilities. Alaska's size and lack of roads make air travel the usual means of transportation between even the smallest of villages. The state has an active program of building and improving airstrips at the many settlements and villages. Unfortunately the modification authorizing airport facilities did not authorize gravel permits to construct them. Subsequently, the state pointed out that authorization to build an airport was of little value if they could not obtain the gravel to build it with. The other principal users of large volumes of gravel are the operating oil companies on Alaska's North Slope. Several of these firms have removed substantial volumes of gravel from the public lands without authorization, resulting in a number of trespass cases.

There seem to be several reasons for the apparent difficulties in processing modifications to the land freeze. In the Bureau office there has been a tendency to hold individual requests to build a "package" of similar cases. This has been due both to limited manpower for handling the cases and to an attempt to avoid submitting a continuous string of small cases to the Secretary's office. In the case of gravel permits and rights-of-way for federal programs, the same situation held in the Secretary's office. The proposed modification for gravel was returned to the Bureau with instructions to consolidate it with the federal programs package. This turned out to be at cross purposes with the desire of the Interior Committees. Both committees felt the proposal was too general and all inclusive and requested

submissions specifying individual cases. And so the Nulato village road, the Corps of Engineers gravel and the other projects will be submitted as individual requests for modification. In the meantime, field activity is at a standstill.

Several reasons were given for the committees wanting specific projects. Each modification approved reduces the effect of the withdrawal which was to preserve the status quo regarding native rights while Congress developed a solution. Of perhaps more importance, the committees are reluctant to give their approval to an action for which they might later be criticized for giving away native rights. Committee staffs do not have the field knowledge nor the resources to adequately evaluate modification proposals, particularly the blanket type. Therefore, committees are reluctant to grant many "blank checks" in this regard. They would rather authorize only specific projects where they can more or less foresee the direct effect of their action. The committees have no objection to a continuous string of modification requests, and the House committee staff expected many more requests than it has received.

The net result of this procedure is a long delay in the approval of many routine cases. It is over a year since applications for many of these projects first were submitted to BLM. In many cases the administrative actions involve a complexity out of all proportion to the effect on native rights. At Nulato, Unalakleet, King Cove and elsewhere, natives have been the principal victims of efforts to protect them. The underlying reason for this unfortunate situation lies in the system for approval of any change in the withdrawal. Routine proposals pass through too many levels, each having its own ideas of where the public interest lies and how the case should be presented. The resulting complexity naturally has led to a

breakdown in functioning of the system.

A somewhat more basic consideration than the disruption of activities in Alaska is a breakdown of the traditional separation of powers between the legislative and executive branches of government. Authority for management decisions has been removed from an executive agency and lodged in the hands of congressional committees. The present desire of the Committees for modifications of PLO 4582 to be on a specific project basis rather than a blanket type authorizing a certain class of actions compounds the situation to an extreme. Relatively minor decisions involving a gravel pit, a road, or a radio site have been removed from professional land managers in the field, who are familiar with the situation, and placed with congressional committees and their staffs in Washington. That management would become less responsive to needs of the land and people dependent on it is inevitable. Any benefits resulting from the freeze, and there appear to be substantial benefits, come about in spite of this transfer of power and not because of it.

Project Delays After Modification

Problems have arisen under the procedures set up for individual project review in the office of the Assistant Secretary. Most of these are connected with getting the required approval of the natives and documentation of the process from the Bureau of Indian Affairs.

Some native groups appear to be much more prompt than others in considering cases. One case for approximately 0.7 miles of Federal Aid Highway was referred to BIA on September 3, 1969. In turn the Tlingit-Haida Central Council was asked for a resolution approving or disapproving the request. There are several subsequent inquiries, the last of record being May 20,

1970. No reply had been received from the Indians.²⁷ Other cases usually proceed faster. Two other highway cases were referred to BIA on February 19, 1970. Native releases and impact reports had been received by April 16. However both cases were held up waiting for copies of correspondence or documentation of contact between BIA and the natives.²⁸ The office of the Assistant Secretary requires copies of all correspondence between BIA and natives. However, contacts are frequently verbal, by attendance at council meetings or by telephone. Failure to properly document these contacts has often held up processing of cases. Part of the problem is due to the small BIA realty staff available to handle these cases. That bureau has five realty people in Alaska and only three outside the Area Office in Juneau. These people must handle land freeze-protest cases in addition to their normal workload for Alaska.

Once the required information is received from BIA, processing can proceed quite rapidly. Thirty-two Federal Aid Highway rights-of-way have been submitted to the Assistant Secretary in three groups. The time from forwarding by the Alaska State Office until clearance by the Department has varied from a month to seven weeks.

Trespass

One inevitable result of the land freeze has been a certain amount of trespass activity. Some has been in ignorance of the change from past practices, and some has occurred in spite of the changes. Gravel trespasses noted earlier would fall into the latter category. In at least some of these cases, the companies had applied to BLM for sale of the gravel needed

²⁷Case AA 5712, Anchorage Land Office.

²⁸Cases AA 5663 and AA 5665, Anchorage Land Office.

for their operations, but the government could not make such a sale under the withdrawal. With an operation involving large numbers of men and equipment, the realistic choice was to go ahead and use the gravel and worry about the terms of settlement later. This decision could logically be anticipated by land managers. No long term problems are anticipated from this action.

On a vastly different scale, the same problem was faced by individuals and village groups that were unable to obtain timber for fuel, house logs and saw logs. No one expected these people to go without heat all winter, and probably no one did. Memoranda forwarding these requests to the State Office frequently note the applicant probably will have his firewood or house logs whether or not BLM writes a permit. There is at least one important consequence of this cutting of houselogs and firewood without a permit.

In an effort to get some measure of control over the practice, BLM land managers have been trying for years to impress upon inhabitants the necessity of getting a permit. The value of a permit system to the managing agency is in knowing who is on the land and in establishing some control over activities on the land. With winter coming on and no one able to issue firewood permits, it now seemed that a permit wasn't very important any more. This resulted in loss of the limited control a permit gave. Cutting areas could be specified in a permit and elementary stipulations imposed on recipients. Now there was no control, and people could cut wherever they wanted. It is not possible to define the number of these cases that occurred. BLM personnel are far too few to examine the state for unauthorized firewood cutting. However the cumulative effects may be large in the set back of efforts to gain control of actions on the land.

How long it may take to re-establish the measure of control that was lost during 1969 is more a matter of attitudes than any physical effects.

As far as is known, the few persons needing sawlogs for lumber manufacture either found alternate sources or did without. For a small number of operators some state timber was available although it usually meant a longer haul. In most cases all available timber was on public lands managed by BLM.

Occupancy of the land under any of the settlement laws (Homesteads, Homesites, Trade and Manufacturing Sites, etc.)²⁹ is a trespass if it originates after the effective date of PLO 4582. If the entryman did not file his claim prior to the withdrawal his occupancy probably is in technical trespass even though it originated well before the withdrawal. It is pointed out elsewhere in more detail that although a person occupying land under the settlement laws is required to file a notice of his claim with BLM, the only penalty for failure to do so is loss of credit for the time of actual occupancy prior to the date a claim is finally filed. If the lands are closed to entry and a prior existing claim has not been established, any occupancy must technically be in trespass. An exception has been made in the case of native allotments under the 1906 law.³⁰ If a native occupied the land prior to PLO 4582, his occupancy will be recognized and his allotment application accepted.

There are many unclaimed occupancies in Alaska, some dating back many years. Only a few originating after PLO 4582 have been discovered. There

²⁹ A summary of the more common settlement laws is found on page 55 of the Appendix.

³⁰ Act of May 17, 1906, 34 Stat. 197 as amended by the Act of August 2, 1956, 70 Stat. 954.

are six in the Fairbanks District discovered on a routine flight and one rumored, unconfirmed case in Anchorage. The area is so vast and the number of field employees so small that discovery of most cases will be by accident rather than design. The decision has been made to actively prosecute and clear up all cases originating after the lands were closed and to withhold action on older occupancies until and land situation in Alaska is clarified. This will be at least until after the native claims are settled.

One occupancy trespass not related to settlement laws has developed in the Anchorage District. Apparently hoping to capitalize on the proposed pipeline project, an explosives supply company has developed a storage area for explosives. Normally a special land use permit would authorize this activity, but none can be issued. Efforts are being made to evict the company.

Considering present levels of activity in Alaska and the area of land that is closed to all uses, it is surprising that more trespass has not occurred. Many instances were cited where it was known that applicants, both individuals, companies, and federal agencies had not gone ahead with plans but had withheld action because of the land freeze. How long this situation would prevail in the face of an extended withdrawal is uncertain. As time goes on an increasing level of frustration with a seemingly unrealistic obstacle to progress is going to result in more trespass problems. People rapidly become impatient and will begin to act first and worry about the problems later.

Mining Claims

For nearly 100 years claims under the General Mining Law of 1872³¹ have been a means, both legitimate and spurious, of gaining control of government lands. This remains true today in the lower 48 states as well as in Alaska. Up until the land freeze, spurious mining claims were a minor problem in Alaska because the various settlement laws provided an open and easy way to establish rights on the public lands. However, in Alaska a mining claim is now virtually the only way an individual can claim public lands. This is because claims for metallic minerals are specifically excluded from the withdrawal provisions of the Pickett Act. The continual increase in the number of claims filed over the last few years is shown in Table 2. It will be remembered that up until December, 1968, other kinds of land entries were being accepted, but native protests held up action on many of them, especially after 1966.

TABLE 2

MINING CLAIMS RECORDED IN ALASKA³²

Year	Claims Recorded
1963	1200
1964	3050
1965	2875
1966	2600
1967	1450
1968	7368

Unfortunately, figures on claims recorded in 1969 were not available during the preparation of this paper. Information for the first year of activity under the withdrawal would be helpful in defining its effects. In

³¹Act of May 10, 1872, 17 Stat. 92.

³²Alaska, Department of Natural Resources, Division of Mines and Geology, Report for the Year 1968, p. 14.

any event, the large increase in claims in 1968 cannot be attributed to the withdrawal and probably not much to the prior administrative land freeze. Several factors contribute to the increased number of mining claims including a general rise in levels of activity and increasing numbers and varieties of all-terrain vehicles enabling people to get to previously inaccessible areas. It is to be expected that the unavailability of land through traditional means has increased the filing of spurious mining claims although the number can not be known. However, as with trespasses, continued unavailability of land will stimulate schemes to "beat the system" and, as elsewhere, mining claims will be one of the ways tried.

Case Backlogs

The natural result of suspending action on land cases as native protests were filed through the 1960's, while continuing to accept applications till mid-December, 1968, is a large backlog of cases awaiting final processing when lands are opened again. There are many applications under the settlement laws, but by far the most numerous and presenting the most problems are about 13,000 filings for oil and gas leases. About 10,000 of these are for new or renewal leases, and there are several options for handling them. By far the easiest from an administrative standpoint would be to reject them all. Since Alaska has selected most of the land in question, the state could then issue leases on its own terms. If federal leases are issued, the state would have to accept the land subject to the federal leases. The state would prefer the former course because its leases are issued on a competitive bid basis, and it could anticipate more revenue this way. Federal leases are issued competitively only for lands on a known productive geologic structure.

Alternatively, priorities could be assigned based on time of filing or all applications could be considered filed as of the date of the withdrawal and a drawing held to resolve duplicate filings. Both courses have some precedent in law and regulations³³ and as a matter of equity. Whatever course is followed, a certain amount of appeals and litigation can be expected.

Most of the other 3,000 applications are for assignments and transfers of the preceding group of 10,000. Presumably the adjudication of this type of case would be governed by the fate of the original application. If the original application is rejected, there obviously is nothing to assign. Also pending are 192 lease offers³⁴ from the 1966 lease sale that was suspended due to the native protests. Presumably these will be awarded under the original terms of that sale.

³³ Mineral Leasing Act of 1920, 41 Stat. 437; 43 CFR Subpart 3100.

³⁴ A lease "offer" is an agreement by the applicant to accept the terms of a lease if it is issued. For practical purposes, it is an application for a lease.

CHAPTER III

ECONOMIC CONSEQUENCES

Any action effectively closing three-fourths of the land in a state is certain to have economic consequences. How large and how wide spread these may be is a different matter. To some extent it depends on one's point of view. Denying one man's application for a homesite might have serious economic effects on his personal life, but it would not normally be felt very far beyond his immediate family and creditors. Economic effects of the land freeze in general and PLO 4582 in particular have been especially hard to define for two principal reasons. First, the action is so recent that very little data have been collected and are available, either published or unpublished. Secondly, the boom of oil development related to state leases on the North Slope area has in general overwhelmed whatever setbacks the freeze on federal lands may have caused. Nevertheless, it is possible on the basis of information available to draw some conclusions both regarding the state in general and specific sectors.

State in General

In the overall picture of the state, the land freeze has not caused a downturn in economic activity. This is not to say that it has not held back any development. It is, rather, a recognition that stronger counter forces at work have overpowered negative effects of the land freeze. Information is available on several selected state-wide indicators to substantiate this conclusion. With conditions as they are, the very real

question arises as to whether or not any additional heat on the state economy would have been desirable.

Employment figures going back to 1961, the first year native protests were filed, show an uninterrupted increase of jobs in Alaska. Average annual employment rose nearly 50 per cent in this period. At the same time unemployment has grown proportionately, maintaining a level of from 8.5 to 10 per cent of the total civilian work force. Employment figures are shown in Table 3. The figures demonstrate two things. First, additional jobs in Alaska do not necessarily reduce unemployment, and secondly, most new jobs in Alaska are filled by immigrants to the state.

Much of Alaska's employment is seasonal, particularly in construction and fishing. As long as these industries require many more workers in summer than in winter, winter unemployment rates will remain relatively high. Furthermore, new jobs created increasingly require skilled labor. This type of help is not generally found on the rolls of Alaska's unemployed, available labor force. Consequently, workers from outside the state get the newly created jobs. An example of this is shown by a study of employees at the pulp mill in Ketchikan made two years after it opened. Of the 500 employees, only 14 had been residents of Alaska before mill construction started.³⁵

Along with employment, personal income of Alaskans has risen consistently. In 1969, the first full year under PLO 4582, this rise was greater than for the country as a whole. Personal income in Alaska rose 10.7 per cent, from \$1,136 million to \$1,272 million. For the nation as a whole, the rise was 8.7 per cent.³⁶

³⁵Arlon Tussing, Economist, Federal Field Committee for Development Planning in Alaska, Interview, May 11, 1970.

³⁶U.S., Department of Commerce, Survey of Current Business, April, 1970, p. 15.

TABLE 3

ALASKA EMPLOYMENT FIGURES 1961-1969³⁷

	1961	1962	1963	1964	1965	1966	1967	1968	1969
Total civilian work force	74,400	75,700	79,100	82,500	89,800	92,800	96,400	100,100	105,600
Total unemployment	7,400	7,100	7,400	7,000	7,700	8,400	8,400	9,100	9,600
Per cent of work force	9.9	9.4	9.4	8.5	8.6	9.0	8.7	9.1	9.1
Total employment	67,000	68,600	71,700	75,500	82,100	84,400	88,000	91,000	95,800
Forest products	1,700	1,900	2,000	2,100	2,300	2,300	2,600	2,500	2,300
Minerals	1,200	1,200	1,200	1,200	1,100	1,400	2,000	2,500	3,300
Oil and Gas	600	700	800	800	700	1,000	1,600	2,200	3,000*
Other	600	500	400	400	400	400	400	300	300*

*Not broken out in 1969 preliminary figures. Estimated figures only to show trend.

³⁷ Alaska, Department of Labor, Employment Security Division, Revised Work Estimates: Alaska, 1969 (for figures through 1968). Also, Alaska, Department of Labor, Employment Security Division, Alaska Economic Trends (monthly), 1969 (for 1969 figures).

Another indicator of the undiminished health of Alaska's economy is the continued rise in gross business receipts over the last several years. It can be seen in Table 4 that the volume of business has increased by nearly two-thirds in six years. Even allowing for inflation, this is a substantial increase.

TABLE 4
GROSS BUSINESS RECEIPTS IN ALASKA³⁸

Year	Gross Business Receipts (000's)
1961	\$ 897,671
1962	931,851
1963	976,560
1964	1,031,890
1965	1,243,147
1966	1,375,078
1967	1,506,390
1968	1,555,330

Finally from a state overview aspect, let us review records of state general fund revenues as shown in Table 5. Again it can be seen that a steady increase in revenues has been realized, and that the pause in resource availability and development occasioned by the land freeze has not upset this trend. On May 18, 1970, the Alaska House of Representatives passed a budget for the 1970-1971 fiscal year of over \$316 million, \$308 million coming from the general fund. This is about double the budget of the preceding fiscal year.

³⁸State of Alaska, Department of Revenue.

TABLE 5

GENERAL FUND REVENUES, ALASKA³⁹

Fiscal Year Ending June 30	Total Revenue
1965	\$150,986,519
1966	152,563,645
1967	168,506,861
1968	177,628,024
1969	187,883,629

In summary, major indicators seem to establish the fact that the land freeze has not created an economic downturn in the state as a whole. When we are considering the state as a whole, we are in a sense considering averages. It is necessary to look at some of the components of these averages before specific conclusions can be drawn. Otherwise, a boom situation in one sector can completely mask serious recession in another.

Selected Industries

Alaska's three leading industries are its fisheries, forest products and mineral industries. In terms of production values in 1968, fisheries was the largest.⁴⁰ However, the land freeze would not be expected to significantly affect the fisheries especially in the short time span under consideration here. Furthermore, the normal variability of catches would cause greater fluctuation in production than any short term effects of the land freeze. Therefore, our analysis will be confined to the other two, timber and minerals.

³⁹Alaska, Department of Administration, Division of Finance, Annual Financial Report, figures through 1968. Also, Alaska, Governor's Budget for Fiscal Year 1970-1971, 1969 figure.

⁴⁰"Alaska's Economy in 1968," Alaska: Review of Business and Economic Conditions, Table 1, p. 1.

Forest Products

Only a portion of the timber industry is affected by the land freeze. As noted earlier, the withdrawal applies only to unreserved public lands. As such it does not affect sales of national forest timber which make up a majority of the timber cut in Alaska. Forest Service sales accounted for 534 million board feet out of a total cut of 590 million board feet in Alaska in 1968.⁴¹ The balance, from state and public lands is important to local mills and consumers. Table 6 shows the volume sold from these lands in recent years. The declining volume from BLM lands is largely due to selection of commercial forest land by the state. The figures are marginally meaningful, however, if sales from the two ownerships are

TABLE 6

TIMBER DISPOSALS FROM BLM AND STATE LANDS IN ALASKA,
FISCAL YEARS 1961 THROUGH 1969. (THOUSANDS OF BOARD FEET)

Year	BLM ⁴²	State ⁴³	Total
1961	11,218	25,592	11,810
1962	11,474	14,755	26,229
1963	10,373	17,590	37,963
1964	5,666	37,644	43,310
1965	3,263	85,041	88,304
1966	6,196	48,364	54,560
1967	3,159	134,371	137,530
1968	744	97,948	98,692
1969	1,076	246,415	247,491

⁴¹Ibid., Table 13, p. 8.

⁴²U.S., Bureau of Land Management, Public Land Statistics, 1961 through 1969.

⁴³Alaska, Department of Natural Resources, Division of Lands, Annual Report 1969, Table F-2, p. S-20.

combined. At least in this case we are considering the volume of timber cut from the same land base. It is evident that an expanding state timber sale program has placed a rising volume of timber on the market. For the industry as a whole, the volume of timber available has increased. Employment figures for the forest products industry over these years do not follow the same trend (see Table 3, p. 30).

Although the industry as a whole did not suffer from the land freeze, there were some local difficulties. BLM files document the inability of some small operators, totally dependent on public domain timber, to obtain stumpage. A Bureau of Indian Affairs housing project for natives at Bethel was held up over a year until BLM could sell the needed timber to a local sawmill.

Minerals

Minerals, particularly oil and gas, has become Alaska's glamour industry. Discovery of oil on the North Slope; construction of the largest privately financed project in the history of the United States, the proposed trans-Alaska pipeline; and the \$900 million bonus payments received in last September's state oil lease sale all contribute to the aura of riches waiting to be gathered. The oil and gas industry is closely tied to administration of the public lands. There were over 4,000 oil and gas leases on federal lands in Alaska in 1969.⁴⁴

In the last several years oil and gas has become the largest segment of Alaska's mineral industry. As recently as 1960, oil and gas accounted for only 6 per cent of the value of mineral production. By 1967, this had

⁴⁴Public Land Statistics 1969, Table 79, p. 111.

risen to 69 per cent. It is undoubtedly higher now.⁴⁵

Employment in the oil and gas industry shows a rapid recent growth after several years at fairly stable levels (see Table 3, p. 30). As with production values, oil and gas has come to dominate the employment picture in the mineral industries of Alaska. As recent developments would lead one to expect, the figures show that industry growth within the state has continued unabated during the land freeze.

While it will be a steady year round employer once the major construction projects are completed, oil and gas cannot be expected to appreciably lower unemployment. Oil's manpower requirements are relatively small and are highly specialized. More important is the previously noted fact that as long as there are seasonal industries such as construction and fishing, high unemployment rates will continue.

Exploratory activity. Effects of the land freeze on oil industry exploratory activity are uncertain. Seismic exploration does not involve any transfer of rights in the land or resources and is not prohibited by the freeze. Drilling occurs only on leased land, and therefore, it could be expected that drilling would be affected by land availability. Drilling activity on a lease serves to extend it for two years plus as long as oil or gas are produced in paying quantities.⁴⁶ Since expiring federal leases cannot be renewed under terms of the withdrawal, it might be expected that the prospect of losing a lease in a promising area would stimulate the drilling of an exploratory well.

In some situations this has been the case; in others the opposite is true. Where the company controls all, or nearly all, of the adjacent lease

⁴⁵Alaska, Department of Economic Development, Alaska Statistical Review 1969, Figure I-1.

⁴⁶43 CFR 3127.2.

blocks, it probably would be encouraged to drill. However, where there are open (unleased) blocks adjacent to the expiring lease, the company would likely refrain from the investment. Before a company invests in a hole, it normally wants to control the acreage in the immediate vicinity. The existence of open lands that cannot now be leased and may or may not be obtainable by the company later would discourage drilling. Specific examples where wells had been drilled and others where companies had not drilled can be pointed out by industry representatives. It is not reasonably possible to add all the plusses and the minuses and arrive at a net effect of the land freeze on exploratory drilling activity.

One measurable effect of the land freeze on industry activities has been the partial assignment of expiring leases in which the company wishes to retain an interest and control. Under the regulations, assignment of part of a lease serves to extend the term of the lease on both the assigned and retained portions for two years.⁴⁷ Only one such extension is allowed. Assignments have the effect of preserving the company's option for decision and action at a later time, and as such the practice has considerable value in some situations.

Leasing Activity

Several considerations are pertinent in this category. These include reduction of leased federal acreage because leases cannot be renewed, inability to lease new acreages, inability of the state to select lands and lease them, and the revenue effects of all these on both the state and federal treasuries.

⁴⁷43 CFR 3128.5.

Expiration of federal leases. Effective with suspension of the 1966 federal oil and gas lease sale west of the naval petroleum reserve, the government stopped issuing new leases and releasing expired leases. A minor exception is on lands that are not affected by PLO 4582 (those that were previously reserved) and also are not covered by native protests. Under this exception, only 126 leases were issued in Alaska in 1969.⁴⁸ Until the fall of 1966, new leases and releasing had been more or less in balance with expirations and relinquishments. Because of the state's selection of lands under mineral lease, an analysis of the reduction in federal lease acreage would not give a true picture of results of the freeze.

An alternative approach is a summary of closed leases which could not be released. This is shown by BLM Districts in Table 7. Although only about 80 per cent of these same lands would be released, enough new lands would be added to keep the total about the same. If we assume that leases

TABLE 7

LANDS UNDER TERMINATED, EXPIRED OR RELINQUISHED LEASES
WITHHELD FROM LEASING BY THE LAND FREEZE--
NOVEMBER, 1966 THROUGH FEBRUARY, 1970⁴⁹

BLM District	Leases	Acreage
Anchorage	1371	2,044,604
Fairbanks	594	1,455,914
Total	1965	3,500,518

⁴⁸Public Land Statistics 1969, Table 81, p. 113.

⁴⁹BLM files.

expired more or less uniformly throughout the period, we can use a figure of half the total acreage being withheld for the entire period (1,750,000 acres). With an annual rental of \$0.50 per acre,⁵⁰ this amounts to \$875,000 per year or about \$2,600,000 plus interest for the 3 1/2 years considered. Under provisions of the Statehood Act, 90 per cent of this would go to Alaska and 10 per cent to the federal treasury.

Although leasing levels had been fairly constant, this situation would not have prevailed in the period under consideration. The Prudhoe Bay discovery in 1968 resulted in a general increased level of interest in oil and gas. We could expect most lands that became available on the North Slope to be grabbed up immediately and some of this speculative optimism to carry over into other areas as well.

Even though BLM stopped issuing most oil and gas leases in the fall of 1966, it continued to receive lease offers up until the withdrawal under PLO 4582. These were placed in suspense pending settlement of the native protests. There are about 13,000 of these filings, approximately 11,000 of them being on the North Slope. Included in the 13,000 figure are approximately 3,000 applications for assignment and transfer of original offers and an undetermined amount of duplication in filing for the same acreage. These would reduce the total effective offers to about 9,000. The majority of these are "block filings" for an area of 2560 acres each; an overall average of 2300 acres per application was thought reasonable in BLM's State Office. The net result of this is offers to lease about 21 million acres for an annual rental of about \$10,500,000. Again the state would receive 90 per cent of this and the federal treasury 10 per cent.

⁵⁰₄₃ CFR 3125.1.

Although the offers are somewhat spread over the period from fall 1966 until they were no longer accepted in December 1968, the flood came after announcement of the Prudhoe Bay discovery in summer 1968. A fall date such as October 1 would serve as a reasonably good point from which to compute total losses at an appropriate discount rate. Since state selection and leasing would have occurred were it not for the land freeze, a figure calculated in this manner has questionable value. At most it represents a minimum loss figure. As part of its land grant, the state has selected a substantial acreage of public land located south of its present oil lands on the North Slope.

State leasing. The timing of competitive lease sales is critical if maximum bonus revenues are to be realized.⁵¹ The time to sell is at the time of maximum optimism. This is especially true for state lease sales of "wildcat acreage," those areas where the suspected location of oil is highly speculative. State officials believe they could have leased all open lands on the North Slope at an average bonus of over \$1.00 per acre. This may be so, but there are other factors that must be considered.

First is the state lease sale of September, 1969, at which bonus bids of over \$900 million were accepted for leases on the North Slope. Some observers believe that this large sale in effect dried up the ready cash oil companies were willing to invest in unproven Alaskan oil lands, and that it will be some time before another successful competitive sale can be held for North Slope leases. Others believe there is substantial interest now in Outer Continental Shelf leases off Alaska and the only reason OCS leases haven't been offered is the aforementioned drying up of bonus monies.

⁵¹A bonus is the price paid for a mineral lease in addition to the rent and royalty payments.

Considering both these factors, it is doubtful that another successful sale of state leases could have been held in the period considered herein. It is also true that as exploration continues on existing leases on the North Slope, interest will rise again whenever one or two holes show promise. There will be new opportunities to sell in periods of high optimism that may be more favorable and yield more income than the opportunities temporarily lost.

No discussion of effects of the land freeze on the oil industry is complete without a consideration of its effects on the proposed trans-Alaska pipeline from Prudhoe Bay to Valdez. Opinion among state, federal and industry people interviewed for this report was virtually unanimous that the freeze had minimal effects on the pipeline. Other factors such as technical problems of design and route selection, bad publicity from recent oil spills, opposition of conservationists, etc. were much more significant than the land freeze. It is important to note that PLO 4760 lifting the freeze to allow construction of the pipeline was approved January 7, 1970, but a right-of-way had not been issued by June 1.

State Selections

Interruption of state selections under the land grant provisions of the Statehood Act could have effects beyond the inability to lease these lands. The state has selected slightly over 26 million acres or about 25 per cent of its total, yet by January 1970, 44 per cent of the 25 year time limit had passed.⁵² If it were not for the withdrawal, the state would probably have selected about 10 million additional acres in the last

⁵²Alaska Division of Land, Annual Report 1969, Table L-2, p. S-11.

year.⁵³ Most of this would have been in rounding out and enlarging present selections into more manageable ownerships and not in entirely new areas.

The withdrawal does not prevent planning on the part of the state, and it is believed the state is prepared to select between 40 and 50 million additional acres when this is possible. There is a limit to how much realistic planning of this type can be done, however. A principal criterion for land selection is the potential to produce a continuing revenue for the state. No one believes that a large portion of the state will ever be privately owned. Most will remain in state or federal ownership. Only a small portion of the land area is needed for actual occupancy, and when all factors are considered, only a small portion is compatible with permanent occupancy. If so, there will never be a broad tax base in the land to support state government and related services. Direct income from land based resources, timber and minerals, is expected to provide the financial backbone of state government.

These factors limit the effectiveness of advance planning for state selections. To a degree, selection follows development, either actual or expected. In the absence of normal exploratory development and activity, planning effectiveness is limited because it is not possible to know what lands are desirable selections. There is some doubt that Alaska will ever select its full quota of nearly 104 million acres. This is because the state receives substantial financial benefit from federal land ownership. Cost sharing for federal aid highways and federal aid to education are both partly based on federal land ownership. Both produce a direct income to the state. Then too, costs of managing and protecting the land

⁵³F.J. Keenan, Director, Division of Lands, Interview May 12, 1970.

rest with the landowner, and these may be substantial. Up to the present, BLM has provided fire protection to state lands on a reimbursable basis. For the 1969 fire season, BLM's bill to the state for this service amounted to nearly \$4 million.⁵⁴ In addition, costs of managing non-income producing resources such as watersheds and wildlife habitat also rest with the land owner. In short, it costs the state money to own land, both in direct costs and in income foregone, whether or not that land is contributing to state income. There is some question as to how much non-productive land the state will want to own.

⁵⁴ BLM files.

CHAPTER IV

ENVIRONMENTAL CONSEQUENCES

Environmental consequences of the land freeze are not numerous. Nevertheless, some seem significant. Measurable effects appear to stem directly from the withdrawal under PLO 4582 and not from the preceding administrative freeze. Effects in one case relate to some loss of control over land use and in another to increased control. Loss of control has occurred in those cases where trespasses have resulted from the inability of BLM to authorize use under a permit or contract that would normally specify conditions of the grant. This has happened both with single individuals (cutting wood) and large corporations (using gravel).

The small volume of material cut by individuals and families for firewood and house logs in the year when permits could not be obtained is not significant. Without permits directing where cutting should be done and including some basic management stipulations, it can be expected that some adverse effects were realized, if only to the scenic environment. This might be the case especially where whole native villages cut their wood supply and logs for new houses. The natural tendency would be to cut where it was easiest which would not necessarily be the best place if other factors were considered. Again, if the practice were only for one year, effects would not be large. The real test will come during the fall of 1970 when land managers will find out how successful previous years efforts at instituting the free use permit system really were. If previous permittees return to the system willingly, losses will be small.

Trespass records show nine materials (gravel) trespasses in northern Alaska in connection with oil development. The feeling of BLM people connected with the oil activities was that operations would not have been much different if conducted under the provisions of a materials sales contract. In general, companies were conducting a responsible operation and attempting to do a good job. BLM has people on the ground for other work, principally pipeline route exploration, and a good working relationship between these people and company representatives has mounted to a somewhat unofficial supervision of the gravel operation.

Probably the most significant environmental effect of the withdrawal has been the stopping of random settlement entries on the public lands. It was previously noted that this type of entry is now a trespass, whereas prior to the withdrawal, people could settle on the public lands without notifying, much less the permission of, BLM. In all cases under the settlement laws, a claim to the land is established by occupying it. The only penalty for failure to record the claim with BLM is that occupancy prior to the recording does not count toward the required time before the entryman can obtain fee title.

In the lower 48 states, entry under the agricultural and settlement laws is barred by the classification provisions of the Taylor Grazing Act and Executive Orders 6910 and 6964.⁵⁵ Before a person can appropriate the public land to his own use he must submit a petition for classification under Section 7 of the law⁵⁶ to BLM and secure a favorable ruling on that petition. The importance of this to public land management can not be over

⁵⁵ Act of June 28, 1934, 48 Stat. 1269; E.O. 6910 dated November 26, 1934; E.O. 6964 dated February 5, 1935.

⁵⁶ 48 Stat. 1272.

emphasized. It is impossible to manage lands if activities on those lands cannot be controlled. This is as true in Alaska as in Arizona. Unfortunately, the provisions of the Taylor Act have never been extended to Alaska.

Perhaps equally important in the long run as closing the land to the settlement laws has been the temporary halt to state selections. To date the emphasis on selection has been to obtain properties that would yield immediate revenue. This short term focus on revenue precludes long range planning for the best use of land. With the pressure off the state to proceed with selections, other land use factors have received more consideration in planning. The developing program of joint BLM-state consideration of land uses and long range planning was given a boost by the suspension of land selections. Hopefully this will hasten the day of land use planning on a truly joint cooperative basis. Such cooperation between the two major land holders is necessary if a rational land management program is to develop in Alaska.

CHAPTER V

CONCLUSIONS AND SUMMARY

Conclusions

Administrative

Administrative consequences of the land freeze can conveniently be divided into two categories, those within the Bureau of Land Management and Department of the Interior and those outside these organizations. Within the Bureau and Department there has developed a relatively complex, time consuming, and cumbersome procedure for facing the reality of continuing programs and needs in Alaska. The resultant paper shuffling has consumed much time and resources that could be better devoted to facing real problems of land management in Alaska.

Outside of the Interior Department, the freeze has resulted in frustration and delay for many activities both private and governmental. Compounding this has been a breakdown of the already cumbersome system due to the inability of the Bureau of Indian Affairs to deliver the necessary documents for secretarial approval. An expected result has been a certain amount of trespass activity on public lands, although this has been surprisingly small to date.

Finally, the inevitable result of accepting applications but not taking action on them was the buildup of a large case backlog prior to the formal withdrawal under PLO 4582.

Economic

A review of economic consequences of the land freeze must conclude that both on a statewide basis and in leading industries the land freeze has not interrupted growth or development. Definable effects have been localized. An adverse effect amounting to a few million dollar loss has resulted from suspension of oil and gas leasing on federal lands and the concurrent inability of the state to select and lease lands. The few negative consequences found appear to be more than offset by benefits considered as environmental effects. Of course it is not possible to neatly separate one from the other; all are interdependent.

Two features of the current situation in Alaska have minimized economic effects of the freeze. The general boom due to oil development has been mentioned several times previously. The other factor is that state lands already selected and under state management have provided a land base permitting the state to be responsive in many locations to both individual and industrial demands. This land base has absorbed much of the pressure that would normally have been directed toward federal lands. This same situation would not necessarily hold if the current freeze were to be extended much beyond its natural expiration.

Environmental

Significant environmental gains due to the land freeze have resulted from closing the lands to appropriation under the various settlement laws and from temporarily halting state selections. This happy coincidence has resulted from closing the lands to protect remaining native rights. It is doubtful these benefits were anticipated when the withdrawal was proposed.

What Should Follow

It is beyond the scope of this paper to explore in detail actions that might or should follow expiration of the land freeze. Before this could be done, the question of native rights and pending legislation would have to be considered in depth. However, on the basis of observations and conclusions made in the main body of the paper, some thoughts for future action appear in order.

Any consideration of what should follow must be based on an answer to the question, "Do the assets of Alaska justify some kind of land use planning and management?" If the answer to this question were "No!", there would be no problem. Public Land Order 4582 could be allowed to expire, some sort of native claim settlement could be worked out in the Congress, and Alaska could go back to business as usual. Although unrealistically simple, this approach is one extreme that could be taken. If the answer to the basic question is "Yes!", then some actions must be taken to provide for development of a land use program. A "Yes" answer can realistically be assumed without detailed justification here.

If the assets of Alaska justify land use planning and management, who should do it? We have noted earlier that the two principal future land holders in Alaska appear to be the state and federal government. Planning for land use should logically be a cooperative venture between state and federal agencies. Yet leadership in this endeavor must come from the federal government for reasons beyond the majority federal ownership that will remain even after state selection is complete. State resource policy in Alaska is just beginning its growth from the infant stage. The state is emerging from a position of relative poverty to one of real wealth and is finding it has unexpectedly vast resources to manage. During this

developmental period, leadership in land management should be exercised by the federal government to provide a stabilizing and guiding influence.

Neither state nor federal officials want to see a return to the open lands policy that existed prior to the land freeze. There is the realization that to manage land in any real sense, you must control it. The opposite extreme to a complete opening up of lands is another withdrawal similar to PLO 4582. Although the overall effect of the land freeze has been beneficial, it does not mean that twice as much would be better. Administrative problems would pile up and intensify as the backlog of applications awaiting action grew. An endless string of modifications and permit applications with the attendant delay would lead to further breakdown of the system. An impatient public would increasingly resort to trespass to meet legitimate needs. The situation would grow worse, not better.

Several actions are available that lie somewhere between the extremes and should be considered. Lacking Congressional settlement of the native claims, it would appear that a new withdrawal prohibiting disposal of the land but allowing management of the surface, including sale of materials, mineral leasing, granting of rights-of-way, etc., would be in order. Prohibiting state selection, though undesirable, would be necessary to preserve the estate for settlement of native claims.

Whether or not legislative action is completed by the 91st Congress, it appears that the essential shape of settlement will be defined by year-end. All bills considered involve a modest grant of land around villages plus a cash payment.⁵⁷ Although details may vary, it is believed this will

⁵⁷U.S., Federal Field Committee for Development Planning in Alaska, Comparative Analysis of Land Claim Settlement Proposals Submitted to the 91st Congress, by Esther Wunnicke, 1969.

be the general pattern finally approved. The present bill as reported out by the Senate Committee on Interior and Insular Affairs grants up to 10 million acres plus a billion dollars. In addition, lands near native villages would be classified for priority use as Subsistence Use Units to protect the hunting and fishing economy of native villages.⁵⁸ Hopefully, if settlement is not reached prior to expiration of PLO 4582, it will be made in the 92nd Congress (1971-1972). As soon as a native settlement is reached by legislative means, the national obligation to the State of Alaska must be recognized and the selection program allowed to go forward.

Finally, control over random private appropriation of the public estate is necessary if a meaningful management program is to go forward in Alaska. In spite of the vastness of Alaska, only limited areas are suitable for such public uses as townsites, transportation routes, recreation areas, etc. Private development follows the opening up of resource wealth, and Alaska is witnessing a replay of history of the lower 48 states in which the desirable parts of the public domain are being appropriated to private benefit and the exclusion of the public. Two complementary approaches to the problem are extending the classification provisions of the Taylor Grazing Act to Alaska (see p. 44) and an extension of the Classification and Multiple Use Act of 1964.⁵⁹ Both would require congressional action; both would contribute greatly to the future of land management in Alaska.

⁵⁸U.S., Congress, Senate, Committee on Interior and Insular Affairs, Alaska Native Claim Settlement Act of 1970, Report No. 91-925, 91st Congress, 2nd session, 1970, pp. 47, 51, 52.

⁵⁹Classification and Multiple Use Act of September 19, 1964, 78 Stat. 986.

Summary

The present Alaska land problems grew out of a condition where rights of the aboriginal inhabitants to the land and resources of Alaska have remained undefined since Alaska was purchased in 1867. When the new state of Alaska began selecting federal land under terms of its statehood grant, rights of the natives and the new state came into open conflict. The land freeze developed as a result of this conflict, first as an administrative action and later as a formal public land order suspending action on public land transactions in Alaska. Federal lands were closed to development of all kinds.

It has been necessary to modify the public land order to permit necessary activities in Alaska to continue. A complex modification procedure involving the Bureau of Land Management, Office of the Secretary of the Interior, and congressional committees has developed. In addition, individual projects must be cleared by the natives, through the Bureau of Indian Affairs, and be approved by the Assistant Secretary of the Interior for Public Land Management. Long delays have been frequent, both in modifying the public land order and in obtaining clearance for specific projects. Trespasses and large case backlogs have resulted from the long delays.

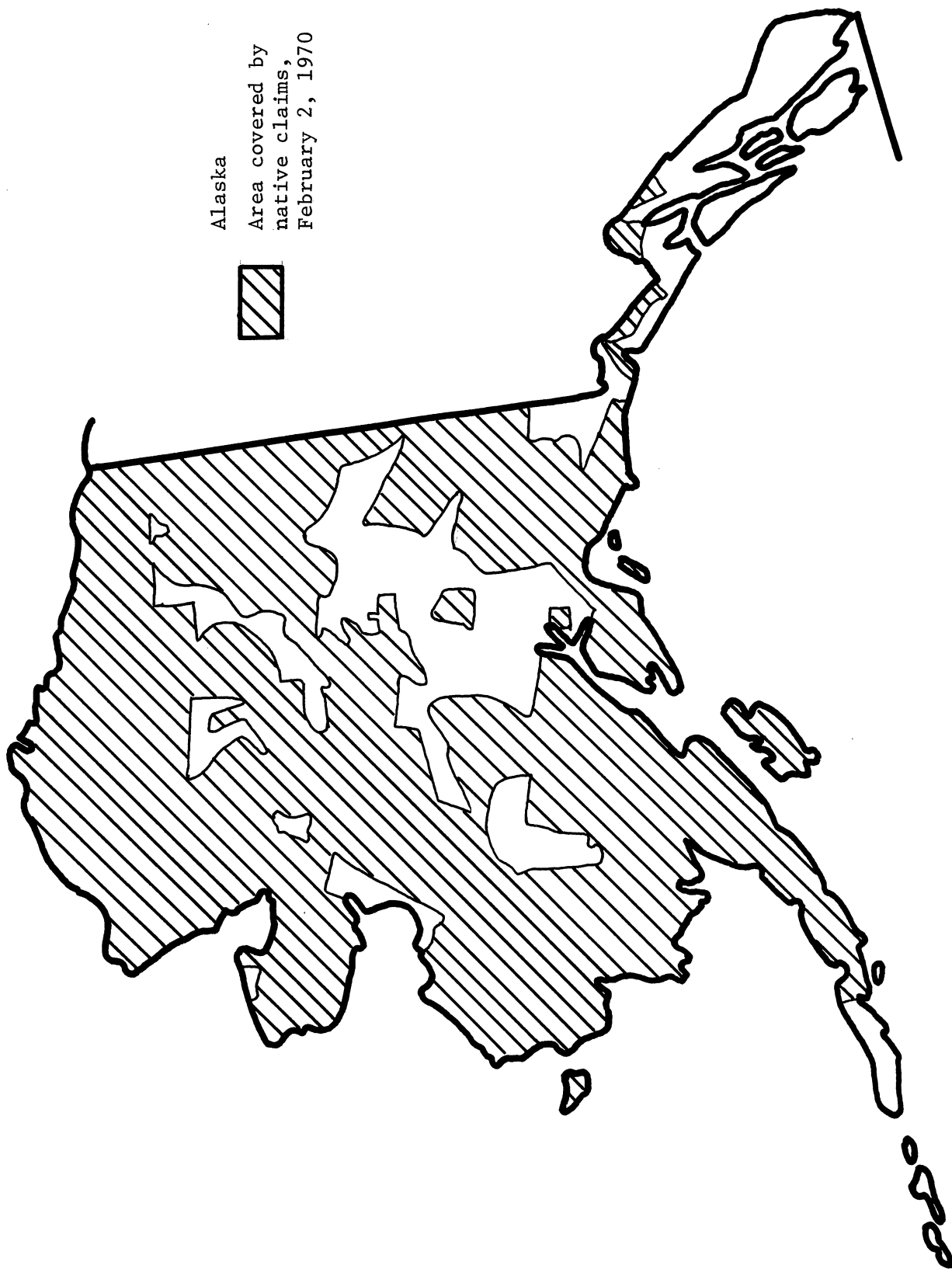
Despite the unavailability of federal lands, economic consequences have been minimal. By any measure, the state's economy is booming; negative effects have been localized. Some loss has resulted from the reduction in federal oil and gas leasing activity. A significant gain has been realized from closing the lands to operation of the settlement laws.

Cooperative land management planning between the state and federal governments is a necessity, but the federal government must continue in a leadership role for the foreseeable future. When the public land order expires,

continued protection against random private appropriation of the public lands is necessary if management programs are to develop. Extension of the expiring Classification and Multiple Use Act of 1964 and making the Taylor Grazing Act applicable to Alaska are two ways this could be attained.

APPENDIX

Alaska
Area covered by
native claims,
February 2, 1970



The More Common Settlement Laws

Applicable to Alaska

Homesteads:

Statute: Act of May 20, 1862 and many amendments
Regulations: 43 CFR Subpart 2211
Acreage: 160
Required Use: Residence, cultivation of one-eighth of area
Period of Occupancy: 3 years

Homesites:

Statute: Act of May 26, 1934, 48 Stat. 809
Regulations: 43 CFR 2233.9
Acreage: 5
Required Use: Residence
Period of Occupancy: 3 years
Price: \$2.50 per acre

Trade and Manufacturing Sites

Statute: Act of May 14, 1898, 30 Stat. 413 as amended August 23,
1958, 72 Stat. 730
Regulations: 43 CFR Subpart 2213
Acreage: 80
Required Use: A going business
Required Occupancy: Not specified
Purchase Price: \$2.50 per acre

Native Allotments

Statute: Act of May 17, 1906, 34 Stat. 197 as amended
Regulations: 43 CFR Subpart 2212
Acreage: 160
Required Use: Substantial use and occupancy
Period of Occupancy: 5 years
Purchase Price: None

Public Land Order 4582

ALASKA

WITHDRAWAL OF UNRESERVED LANDS

By virtue of the authority vested in the President by section 1 of the act of June 25, 1910 (36 Stat. 847, 43 U.S.C. 141), as amended, and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is order as follows:

1. Subject to valid existing rights, and subject to the conditions hereinafter set forth, all public lands in Alaska which are unreserved or which would otherwise become unreserved prior to the expiration of this order, are hereby withdrawn from all forms of appropriation and disposition under the public land laws (except locations for metalliferous minerals), including selection by the State of Alaska pursuant to the Alaska Statehood Act (72 Stat. 339), and from leasing under the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U.S.C. 181, et seq.), as amended, and reserved under the jurisdiction of the Secretary of the Interior for the determination and protection of the rights of the native Aleuts, Eskimos, and Indians of Alaska. The withdrawal and reservation created by this order shall expire at 12 (midnight), A.s.t., December 31, 1970.

2. Unless otherwise required by law, all applications for leases, licenses, permits, or land title transfers which were pending before the Department of the Interior on the effective date of this order, will be given the same status and consideration beginning at 12 (noon) A.s.t., on April 2, 1971, as though there had been no intervening period, unless previously recalled by the applicant.

3. From January 1, 1971, until 12 (noon) A.s.t., on April 2, 1971, the State of Alaska shall subject to the provisions of paragraph 2 of this order, have a preferred right of selection as provided by section 6 (g) of the Alaska Statehood Act of July 7, 1958 (72 Stat. 341). Any public lands not selected by the State and not otherwise reserved shall at 12 (noon) A.s.t., on April 2, 1971, become subject to appropriation under the public land laws, subject to valid existing rights, the provisions of existing withdrawals and the requirements of applicable law.

4. Applications filed by the State of Alaska before January 4, 1969, to select unreserved public lands under the Statehood Act, which at the time of such filings were embraced in leases, licenses, permits or contracts issued pursuant to the Mineral Leasing Act of 1920 supra, or the Alaska Coal Leasing Act of 1914 (38 Stat. 741, as amended, 48 U.S.C. 432), and applications filed by the State of Alaska before December 13, 1968, to select other unreserved lands under the Statehood Act, shall be processed in accordance with the policies and procedures of this Department designed to protect the rights of the native Aleuts, Eskimos, and Indians of Alaska, which were in effect on the date of this order.

5. This order may be modified or amended by the Secretary of the Interior or his delegate upon the filing of an application which demonstrates that such modification or amendment is required for the construction of public or economic facilities in the public interest. Applications for such modification or amendment should be filed in the land office of the Bureau of Land Management, Anchorage, Alaska.

Stewart L. Udall,
Secretary of the Interior
January 17, 1969

Public Land Order 4589

ALASKA

MODIFICATION OF PUBLIC LAND ORDER NO. 4582

By virtue of the authority vested in the President by section 1 of the act of June 25, 1910 (36 Stat. 847; 43 U.S.C. 141), as amended, and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is ordered as follows:

Public Land Order No. 4582 of January 17, 1968, withdrawing all unreserved public lands in Alaska for the determination and protection of the rights of the native Aleuts, Eskimos, and Indians of Alaska, is hereby modified to the extent necessary to permit appropriations of the lands for rights-of-way for highways, or materials sites, under section 317 of the Federal-Aid Highway Act of August 27, 1958 (72 Stat. 317; 23 U.S.C. 317).

Walter J. Hickel,
Secretary of the Interior
April 4, 1969

Public Land Order 4668

ALASKA

MODIFICATION OF PUBLIC LAND ORDER NO. 4582

By virtue of the authority vested in the President by section 1 of the act of June 25, 1910 (36 Stat. 847; 43 U.S.C. 141), as amended, and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is ordered as follows:

Public Land Order No. 4582 of January 17, 1969, withdrawing all unreserved public lands in Alaska for the determination and protection of the rights of the native Aleuts, Eskimos, and Indians of Alaska, is hereby modified to the extent necessary to permit the issuance of rights-of-way for electrical plants, poles, and lines for the generation and distribution of electrical power to serve native villages, under the act of February 15, 1901 (31 Stat. 790; 43 U.S.C. 959) and/or the act of March 4, 1911 (36 Stat. 1253; 43 U.S.C. 961).

Walter J. Hickel,
Secretary of the Interior
June 10, 1969

Public Land Order 4669

ALASKA

MODIFICATION OF PUBLIC LAND ORDER NO. 4582

By virtue of the authority vested in the President by section 1 of the Act of June 25, 1910 (36 Stat. 847; 43 U.S.C. 141), as amended, and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is order as follows:

Public Land Order No. 4582 of January 17, 1969, withdrawing all unreserved public lands in Alaska for the determination and protection of the rights of the native Aleuts, Eskimos, and Indians of Alaska, is hereby modified to the extent necessary to permit the issuance of airport leases under the Act of May 24, 1928 (45 Stat. 728), as amended (49 U.S.C. 211-214), and issuance of airport conveyances under section 16 of the Federal Airport Act of May 13, 1946 (60 Stat. 179; 49 U.S.C. 1115).

Russell E. Train
Acting Secretary of the Interior
June 16, 1969

Public Land Order 4676

ALASKA

MODIFICATION OF PUBLIC LAND ORDER NO. 4582

In order to permit the construction of a public facility in the public interest, and in reliance upon the representation of the State of Alaska that it shall do all things necessary and appropriate in connection with such construction to preserve and protect the environment and natural resources, Now, Therefore,

By virtue of the authority vested in the President by section 1 of the Act of June 25, 1910 (36 Stat. 847 as amended; 43 U.S.C. 141), and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is ordered as follows:

Public Land Order No. 4582 of January 17, 1969 (34 F.R. 1025), withdrawing all unreserved public lands in Alaska for the determination and protection of the rights of the native Aleuts, Eskimos, and Indians of Alaska, is hereby modified to the extent necessary to permit:

1. The location of a right-of-way under section 2477 U.S. Revised Statutes (43 U.S.C. 932), by the State of Alaska over public lands for construction of approximately 53 miles of State highway from Livengood, Alaska, northwesterly to the Yukon River; and

2. The issuance of such other permits as may be required in connection with the construction, maintenance, and operation of the highway described above.

Walter J. Hickel,
Secretary of the Interior
August 13, 1969

Public Land Order 4682

ALASKA

MODIFICATION OF PUBLIC LAND ORDER NO. 4582

By virtue of the authority vested in the President by section 1 of the Act of June 25, 1910 (36 Stat. 847; 43 U.S.C. 141), as amended, and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is ordered as follows:

Public Land Order No. 4582 of January 19, 1969, withdrawing all unreserved public lands in Alaska for the determination and protection of the rights of the native Aleuts, Eskimos, and Indians of Alaska, is hereby modified to the extent necessary to permit the selection under the Act of July 7, 1958 (72 Stat. 339; 343), by the State of Alaska, for the following described land:

Cold Bay Area: T.57S., R.88W., S.M. (Protracted) -- land description.

Russell E. Train,
Acting Secretary of the Interior
August 28, 1969

Public Land Order 4695

ALASKA

MODIFICATION OF PUBLIC LAND ORDER NO. 4582

By virtue of the authority vested in the President by section 1 of the Act of June 25, 1910 (36 Stat. 847, as amended; 43 U.S.C. 141), and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is ordered as follows:

Public Land Order No. 4582 of January 17, 1969, withdrawing all unreserved public lands in Alaska for the determination and protection of the rights of the native Aleuts, Eskimos, and Indians of Alaska, is hereby modified to permit:

1. The disposal of timber or vegetative products under the Act of May 14, 1898 (30 Stat. 414, as amended, 48 U.S.C. 421), and the Act of July 31, 1947 (61 Stat. 681, as amended, 30 U.S.C. 601), to the extent of 10 million board feet of piling and construction material for the drilling of oil wells on the Alaska North Slope and to provide firewood and materials required locally for residential, commercial, mining, and other internal requirements of the Alaska economy. Disposals will not exceed 500,000 board feet in each sale or 25,000 board feet in each free-use permit.

2. The issuance of grazing leases under the Act of March 4, 1927 (44 Stat. 1452, as amended, 48 U.S.C. 471 et seq.), and reindeer permits under the Act of September 1, 1937 (50 Stat. 902, 48 U.S.C. 250 m).

Walter J. Hickel,
Secretary of the Interior
September 16, 1969

Public Land Order 4760

ALASKA

MODIFICATION OF PUBLIC LAND ORDER No. 4582

By virtue of the authority vested in the President by section 1 of the Act of June 25, 1910 (36 Stat. 347, as amended; 43 U.S.C. sec. 141), and pursuant to Executive Order No. 10355 of May 26, 1952, (17 F.R. 4831), it is ordered as follows:

Public Land Order No. 4582 of January 17, 1969, withdrawing all unreserved public lands in Alaska for the determination and protection of the rights of the native Aleuts, Eskimos, and Indians of Alaska, is hereby modified to permit:

1. The granting of rights-of-way under the Mineral Leasing Act of February 25, 1920 (41 Stat. 449, as amended; 30 U.S.C. secs. 181 et seq.), for an oil pipeline system, including, but not limited to, pumping plant-sites, access facilities, terminal facilities, catch basins, and any other structures reasonably necessary or convenient for transportation of oil by pipeline from fields in Northern Alaska to a deep water port in the Gulf of Alaska.

2. The issuance of any other permit or right-of-way as may be reasonably necessary or convenient for the construction, maintenance, or operation of the oil pipeline system described in paragraph 1 above.

3. The sale of forest products and mineral materials as may be reasonably necessary or convenient for the construction, operation or maintenance of the oil pipeline system described in paragraph 1 above.

Walter J. Hickel,
Secretary of the Interior
January 7, 1970

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