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Alaska Resources  
Development  
Issues of the 1980s

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## 8 Conclusion: The Limits of Policy

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Three articles about Alaska resources development, appearing in Anchorage newspapers in 1982 and 1983, illustrate some of the main points we have tried to make in the preceding chapters. One article headed "Resource-rich Alaska leads nation" told of a report by the U.S. Department of the Interior, documenting Alaska's vast oil reserves and "important discoveries of coal, peat, uranium, geothermal resources, and a variety of other minerals."<sup>1</sup> Another article ran under the headline "State officials disappointed at lease sale." It reported that a recent "sale of oil and gas drilling rights in the Beaufort Sea drew dispirited bidding . . . , while the state's geothermal lease sale was anything but competitive and a coal lease offering just plain bombed."<sup>2</sup> (The geothermal sale drew one bid, and the coal sale, on Beluga River lands, drew no bids at all.) A third story was headed "Poll shows Alaska business leaders see state as rudder for development." The story reported that "37 percent of those Alaska business leaders polled [by the Alaska Department of Commerce] believe state government holds the key to future development, while 35 percent said it was the federal government and only 28 percent said it was the private sector."<sup>3</sup>

Alaska does in fact have a large endowment of natural resources, as the Interior report confirms, but this is so not because Alaska is an unusually rich resource region, but because it is an unusually large region with chance occurrences of rich resource deposits. Prudhoe Bay is the outstanding contemporary instance. But Alaska is not the nation's resource storehouse in the conventional sense of that phrase. The "storehouse" metaphor implies stored-up wealth, or physical materials of proven value, just waiting to be withdrawn and used. This is not the case with most of Alaska's presently unused resources, as the newspaper story about the unsuccessful state lease sale illustrates. Resources have economic value only if they can be sold for more than it costs to extract them and deliver them to market. In Alaska, resources usually must be found in large, rich deposits—and then they may need to be skimmed—in order to overcome high costs associated with the remoteness and cold climate of the region. Alaska's cold climate also limits biological yields of certain renewable resources, including agricultural products, land animals, timber, and freshwater fish.

these resources—which are generally over-allocated and harvested at their biological limits—but how to allocate them more equitably and efficiently among competing groups while reducing the role of government regulation.

5. Environmental protection standards have generally accommodated developmental pressures in Alaska rather than impeded them; only in a few highly visible and controversial cases (including trans-Alaska pipeline construction) or where major constituencies have felt threatened (e.g., Alaska fishermen) have environmental standards become a significant factor affecting resource development activities.
6. The investment of state oil revenues in infrastructure projects such as hydro-power and transport facilities is not the key to the future of Alaska resources development. Revenues probably will not be sufficient for such purposes and, in any case, such investments would not likely overcome long-run market constraints affecting the development of Alaska resources.

Richard Cooley in Chapter 2 traces the history of federal land policy in Alaska, culminating in the Alaska National Interest Lands Conservation Act of 1980. The national conservation movement in the early twentieth century established the context for the federal government's treatment of Alaska land in the territorial period—massive land withdrawals for national forests, wildlife refuges, national parks, and other federal reserves. But Cooley also shows that conventional federal land disposal laws at the time, particularly the Homestead Act of 1861 and the Mining Law of 1872, could not operate in the remote, cold region of Alaska as they did in the contiguous western states and territories. The result was that federal agencies became long-term land and resource managers in Alaska, controlling more than 99 percent of land in the territory on the eve of statehood. The statehood movement itself was in part a reaction to what white resident Alaskans saw as oppressive federal land and resource policies that had held back the state's settlement and development. The Alaska Statehood Act of 1958 then marked the beginning of the modern era of massive land redistributions in Alaska: first, 104 million acres of the region's 375 million acres to the new state; second, 44 million acres to Native regional and village corporations under the Alaska Native Claims Settlement Act of 1971; and, finally, a reshuffling of the remaining 227 million acres among several competing federal agencies under the 1980 Alaska National Interest Lands Conservation Act, with most of these remaining federal lands going into federal conservation systems having widely varying standards for preservation and use. Cooley's essay suggests that today's conflicts between development and environmental interests are in significant part reflections of the older, largely symbolic political struggle for control of Alaska's lands, and that fewer development opportunities or environmental threats may exist than the combatants believe.

Today's resource and economic development realities are the subject of Arlon Tussing's contribution in Chapter 3. Tussing broadly surveys the structure and operations of Alaska's petroleum-based economy, describing the array of geographic, biological, and economic constraints that discourage economic diversification. As a result, Tussing believes that "Alaska will not soon have a balanced economy" and

issues, and policies in Chapter 6. He first traces the historical development of early conservationism and latter-day environmentalism in Alaska, noting significant events and actors along the way. Prominent among these events were federal conservation system withdrawals, the federal outer continental shelf petroleum leasing program, and the construction of the trans-Alaska oil pipeline. Key actors were biologists in the new state Department of Fish and Game and members of conservation and environmental organizations at national and state levels. In tracing this history, Weeden finds persisting themes of conservation versus economic growth, colonialism, rural versus urban Alaska, and hostility toward government regulation. It is against this background that environmental policies are formed. Generally, policies for the protection of air and water quality, natural landscapes, and wildlife and fisheries have conformed to the political contours of Alaska. Weeden points out that there have been varying "price thresholds" for protecting the environment—that what gets protected and how well depends on symbolic values affected. Thus, for example, environmental surveillance during pipeline construction was emphasized, while monitoring of ongoing placer mining of gold in fish-producing streams is neglected. For the most part, implementation of federal and state environmental protection laws in Alaska has been moderate or weak. Looking to the future, Weeden suggests that the longer-term determinants of Alaska environmental issues, and of policy responses to them, will include U.S. energy policy, extent of Asian demands for Alaska resources, conflicting Native corporation interests in development and in subsistence culture, values and attitudes of Alaska's changing population, and state uses of its petroleum wealth.

In Chapter 7, I examine the petroleum wealth management issue in the context of Alaska resource and economic development alternatives. Since Prudhoe Bay oil is a temporary source of unprecedented state wealth and public spending, state government and business leaders must develop strategies to avert a fiscal and economic crisis in the near future. One strategy would build an investment portfolio to maximize earnings that would support state government in the long term. A rival strategy would use current petroleum revenues for a variety of business subsidies and for construction of hydroelectric power projects, transport facilities, and similar projects; these spending patterns would be intended to encourage further resource development in petroleum, coal, nonfuels mining, bottomfisheries, agriculture, and other resource sectors. The conflict, essentially, is between a savings strategy and a spending strategy, both seeking to ensure Alaska's fiscal and economic future by maximizing the net benefits of the flow of revenues generated from the conversion of a physical asset (oil) to a monetary asset. The main problem with the spending—or direct equity investment—strategy is that prospects for Prudhoe Bay-equivalents in petroleum or other resources are very slight. And the main problem with the savings—or portfolio investment—strategy is that it is politically very weak, like most policies favoring future generations over the present one: it has a small constituency in a political context where most interest groups and individuals have incentives to maximize their present shares of the wealth rather than await future, uncertain returns that may benefit the state as a whole. Thus, limited prospects for resources development constrain state fiscal policy, and pressures for immediate transfers of petroleum revenues limit the political viability and potential effectiveness of any long-term Alaska resources development strategy.

potential sources of revenue in all of the resource wealth that it owns or controls. Resources should be inventoried and classified on the basis of their relative values, either directly as capital values or indirectly as flows of goods and services produced from fishery, forest, mineral, wildlife, scenic, and other natural resource assets. Making these values as explicit as possible should help provide perspective and identify development options, roles of market factors and policy initiatives, and trade-offs between economic and environmental values. In the light of the resource development analyses presented in this volume, it is likely that surface land values may be the most valuable asset directly owned by state and local governments, and that of all Alaska resource assets either owned or controlled by the state, only the coastal fisheries have a higher value than such land values.

Third, increasing attention needs to be given to the possibilities and consequences of private ownership of Alaska land and resources. The congressional acts that granted statehood and settled Native claims set in motion large-scale redistribution of land ownership rights. Native regional and village corporations are now major private land owners, and an increasing number of private citizens have become owners under state and local government land disposal programs. Further, the Alaska National Interest Lands Conservation Act of 1980 defined additional terms governing access to and uses of land for resource exploration and development by Native and other private corporate interests. These land transactions and changing uses undoubtedly will occasion conflicts among the different land and resource owners, and they will require new institutional arrangements for cooperative planning and management as well as for land disposal and exchanges.

Innovative institutional arrangements will also be required for the distribution to private interests of rights of access to the renewable resources of the land and sea. Conflicts among users of fisheries, forests, wildlife, and other resources continue to grow in part because of the absence of clearly defined property rights to these resources of the "commons." Today, we use an elaborate system of bureaucratic management to institutionalize and manage these conflicts. For the future, we will need to devise means of reducing the role of bureaucratic regulation and increasing responsible private proprietorship of common property resources. The challenge is to accomplish this while preserving equal opportunity of access and preventing concentration of resource wealth in the hands of the few.

Fourth, especially for those resource sectors that are likely to remain generally undeveloped due to unfavorable market conditions—nonfuel minerals and coal, Alaska-based bottomfish harvesting and processing, agriculture—there is the question of the future role of government in the resources development process. This is a normative question involving social and political considerations beyond the scope of economic analysis. The desire to expand employment, diversify the economy, stimulate rural development, reduce national dependence on imports, and increase national security—all are legitimate objectives of government support of resources development. But each also has its own combination of social, political, and economic benefits and costs. Thus, before evaluating how effectively specific policies might contribute to such ends, it is necessary first to analyze the goals of resources development, asking not only what the net special benefits of development might

The limits of consensus? Report on the Somaliland Presidential Election, 13th November 2017. by Michael Walls, Conrad Heine, Andrea Klingel, Carrie Goggin, Ahmed Farag, Susan Mwape with input from Rooble Mohamed and Short-Term Observers. The drawing of conclusions about the character of electoral processes based on the highest standards for accuracy of information and impartiality of analysis; and the provision of recommendations for improving the integrity and effectiveness of electoral and related processes, while not interfering in, and thus hindering, such processes (see UN, 2005: 2). Gain insights into the limits of our world system and the constraints it puts on human numbers and activity. Identify and study the dominant elements, and their interactions, that influence the long-term behavior of world systems. To warn of the likely outcome of contemporary economic and industrial policies, with a view to influencing changes to a sustainable life-style. Methodology[edit]. methodology, the computer, the conclusions, the rhetoric and the people behind the project were criticised.[27] Yale economist Henry C. Wallich agreed that growth could not continue indefinitely, but that a natural end to growth was preferable to intervention. Wallich stated that technology could solve all the problems the report was concerned about, but only if growth continued apace. The conclusion redefines the limits and uses of responsive regulatory theory in light of this critique. First, sui generis checks and balances against escalation to any and all forms of violence are necessary. Second, the ethos of escalation in responsive regulation must be tempered by an ethos of horizontal scanning at all levels of the pyramid in search of nonviolent alternatives. 436 LAW & POLICY October 2014. would be killed if they did not participate; some had seen their siblings killed for refusing to do so. Many, in other words, were guilty of participation in the genocide, but their pleas in mitigation would have meant that any criminal court would find them deserving only modest punishment, or none. Read chapter 7

Conclusions and Recommendations: Immigration enforcement is carried out by a complex legal and administrative system, operating under frequent change. A new approach to budgeting may allow those resources to be applied more effectively to limit illegal immigration and achieve other policy goals. To improve budget estimates and to support better decisions about the use of budget resources, the committee proposes elements of a new model of budgeting for DOJ immigration enforcement, including changes in the procedures used to develop budgets. Drawing definitive conclusions from these would be beyond the limits of this study, although a few observations may be made by the reader. The latest policies and legal measures developed at the Member State and the EU level to tackle disinformation and propaganda have been collected and analysed in a critical perspective, primarily including the German Network Enforcement Act, the French Act against Informational Manipulation and the Italian law against fake news, along with the co-regulatory initiative between the French government and Facebook, the Code.