

ALASKA—THE FEDERALLY OWNED STATE

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The specific assignment given to each panel speaker was to “deal with the key recommendations of the commission’s report which relate to the topic in question.” In my case the topic in question is Alaska. The commission has made a number of recommendations relating specifically to Alaska, and others of general application which have special application or meaning in Alaska. In terms of the specific recommendations, it could be said that the State of Alaska fared extremely well at the hands of the commission. Some of the deadwood in existing laws and regulations would be cleared away, basic policy of federal and state governments on the public land issues would be brought closer together, the critically important matters of determination of Native land claims and state land selections would be given top priority, and institutional arrangements established for the continued coordination of Alaska and federal public land policies and programs.

On a laundry list basis we got from the commission virtually anything any reasonable Alaskan could hope for. It is not out of any sense of ingratitude, therefore, that I will address myself to what has been left out of the report in its treatment of Alaska as a whole based upon an understanding of the meaning of the creation of a new

state from the public lands. Looking beyond Alaska, I would expand these observations to conclude that what the commission has left out has been the community and human aspects of public land management. This implies a major shortcoming, but it was inevitable given the analytical system and assumptions they subscribed to for arriving at decisions. Although the commission may have believed it was entitled to overlook these factors, a critique cannot.

I could have saved myself and this audience considerable trouble by simply identifying, describing and evaluating the clearly Alaska-related recommendations of the report. These might be identified as being the "key recommendations" intended by the assignment, but beyond giving footnote references I will pass them over here to be taken up in the discussion following as appropriate.¹ Rather than making a selection of key recommendations, I will relate what appears to be the basic pattern which underlies all of the 137 recommendations of the report to the idea of Alaska as a new and still-developing state.

Alaska—the Federally Owned State

According to the report of the Public Land Law Review Commission before us, public lands under the jurisdiction of federal agencies in 1968 comprised 95.3 per cent of Alaska's total land area, in effect making it a federally owned state.² Also in 1968, forty-six per cent of the United States' public lands were in Alaska, which makes our state of special importance to this conference or any other consideration of the recommendations of the Public Land Law Review Commission. (It should be noted that sixty-four per cent of the United States' continental shelf area is off our shores, the implications of this fact being overlooked or ignored in the Commission's report on the management of the outer continental shelf.) As the State of Alaska makes its selections under the land grant provisions of the Alaska Statehood Act these percentages will decline, but even if we succeed in completing the process by the 1984 deadline the federal government will still own sixty-seven per cent of the state's land area, and thirty-eight per cent of all public

lands of the nation will be located within Alaska. If this represents a significant reduction in the relative areas involved, it does not, however, alter the generalization drawn from the 1968 statistics that on the one hand Alaska is important in any consideration of the nation's public lands, and on the other hand public lands play a key role in any consideration of Alaska.

Furthermore, twenty-four to twenty-six per cent of the federally managed public lands in Alaska have been reserved or withdrawn from entry by past executive and congressional actions. With the exception of limited areas within the national forest reserves to allow for community expansion, these lands are excluded from selection by the state and represent an important restriction on what can be accomplished by the state in reducing the continued dominance of federal land management on future developments. The two largest urban centers in Alaska, Anchorage and Fairbanks, in which reside approximately 57 per cent of the state's total current population, and the next-ranking centers in southeast Alaska, containing an additional 14 per cent of the total population, are almost totally dependent upon activities related to or taking place on the large federal reserves adjacent to or surrounding them. The future of these communities, therefore, will continue to reflect how the federal government manages public lands under its jurisdiction no matter how much land is selected by the state. For the most part, state selections have been made opportunistically on strictly real estate grounds or in order to bring the emerging petroleum provinces under state ownership. This will provide enlargement of "living room" and sources of funds to finance state and local government programs, but the primary employment of most Alaskans will still depend heavily upon how the federally retained lands are used.

The commission clearly recognized this. In discussing the need to set up a joint federal-state natural resources and regional planning commission for Alaska under recommendation 15, it notes that although "a significant part of that land base will belong to the state in the future . . . the state's desires and needs underscores the federal responsibility to plan for the retention and management or disposition of the lands that it will have after the selection process is

completed, in a manner not to thwart the state's effort to chart its own destiny."³

In addition to the importance of these continuing Alaska-federal public lands relationships, Alaska is caught in cross currents: the claims of the descendants of the aboriginal inhabitants of Alaska to title to most of the land (and the attendant "land freeze" of Public Land Order 4582, U.S. Department of the Interior, January 17, 1969), the private development and transportation land and right-of-way requirements following the discovery of a major petroleum province on our arctic slope, the sale of timber from large tracts of our southeastern forest lands, and the concern of many Alaskan and outside conservation groups over the threat of environmental degradation implied in major land developments. All of these are of vital concern to us, but given the manner in which my topic is to be developed, time would not permit even a cursory treatment. Furthermore, we have on our panel able representatives of the principal "contending groups" (the state legislature, the petroleum industry, and Alaska Natives, and conservation interests) and they will be presenting their special views of current public land issues in Alaska, which I could here only anticipate or duplicate.⁴ Here I will deal with what lies behind or beyond current Alaskan land issues.

There is not one Alaska, but a compound of many "Alaskas." There are several quite distinct and different regional Alaskas. There also have been several distinct socio-economic Alaskas defined by quite different objectives and patterns of development (Native Alaska, colonial Alaska, military Alaska), each having dominated a discreet historical period and all continuing to exert some influence in the whole that is contemporary Alaska.⁵ Each of these regional and historical Alaskas would relate differently to the commission's report, but for this discussion we will focus on the essential meaning of Alaska as a state in process of development. For more than twenty-five years I have been a resident of Alaska and have been deeply and continuously involved in the process, so I cannot be objective. What is perhaps even worse is that over time my

very subjective views also have fluctuated widely because the involvement has been a long one.

The State of Alaska as an Anachronism

The idea of Alaska as a state has appeared at times as a hopeless anachronism in an age of increasing urbanization and specialization. This mood comes over me following certain happenings—exposure to a chamber of commerce or tourist industry refurbishing of the “last frontier” image, hearing a speech or reading of a report urging construction of a railroad into the arctic as a means of “opening the country,” or hearing plans to resettle unemployed urban workers on Alaska’s “vast and empty lands.” All of this is an attempt to replay the nineteenth century “winning of the West” in a northern frontier setting. When Alaska became a state just past the mid-twentieth century mark, this was the final act in a process designed in the eighteenth and nineteenth centuries and here set in motion late in the nineteenth century when Alaska was created as a district of the United States. Statements justifying or explaining the creation of a new state out of the raw materials of the public lands have a stirring ring to them, but they also sound like an echo from another time, a long-gone heroic age. The following by a congressman two years after Alaska was organized as a territory, the last step in the process before becoming a state, is typical.

When the United States acquires extensive domain over extensive tracts of territory, the duty devolves upon it not so much to exploit the natural resources for the benefit of the people of the States as to build there a civilization, to induce immigration and settlement . . . that homes may spring up and that that territory may contribute to the general strength and happiness of the whole Union.⁶

But aren't we in the wrong century to carry out such a program? According to a 1937 report by the National Resources Committee on the value of Alaska to the nation:

In the past, the empty spaces of the earth were peopled gradually over a long period of time. Immigrants were at first predominantly subsistence farmers. They expected to hew down forests, to work

from dawn to dark, to do without any luxuries, to live in isolation, to do without schools, police protection and doctors—they were ready to live at a very low level of subsistence provided they could look forward to ownership of a piece of land that in the second or third generation might yield a competence and a reasonable degree of comfort. Migrants of this type are becoming fewer and fewer in the world, and it is doubtful if the United States has even its proportionate share . . . The modern “pioneer” thinks in terms of government and what it will do for him. If settlement is not made easy for him, the present-day pioneer will seek more sheltered spaces or call upon his government to discharge its social responsibility toward him.⁷

Based upon this line of reasoning, the 1937 report recommended against federal investment in programs to “force-feed” settlement and, indirectly, against the creation of a state.

Looked at realistically, it appears that the development of whatever economic values Alaska held for the nation could best be done without the encumbrance of settlement and the political development represented by statehood. This was substantially the pattern that had been followed from the period of Russian ownership to the date Alaska actually became a state. Hundreds of millions of dollars of products were drawn from Alaska’s resources by seasonal or temporarily imported labor, with virtually no change in the levels of population from the turn of the century until the construction and manning of the military establishment in World War II and after. Elsewhere in the polar lands a similar pattern was being followed. After an initial drive to settle its north in the 1920’s and 1930’s, the Soviet Union substantially abandoned this approach to northern development in the 1940’s and 1950’s. The approach to development in the forest and tundra zones of the northern regions, according to studies of official policy available to me was by the “selective method of developing lands by separate cases and areas” and with

periodic importation (for definite terms) of labor force from other, more southerly regions of the country. The principal aim of creating a complex is the working of especially valuable mineral resources, forests, and the wealth of fish and other sea animals. Modern technology and economics permit the development of this northern wealth through especially high mechanization and the shifting of the process to such forms of energy as water and oil power, which make it possible to reduce sharply the expenditure of live labor.⁸

This approach has a sound twentieth century ring to it and, if intelligently implemented, would maximize the net economic contribution of these regions to the gross national product of their nation owners—the United States, the U.S.S.R., Denmark, and Canada. In terms of the stereotype of frontier development going through a set series of stages or being based upon agricultural settlement of the land, the idea of Alaska's attempting to recreate the process is not only an anachronism but, given the limited agricultural lands, the climate and other factors, either a grossly expensive undertaking or an impossibility.

The State of Alaska as a Possible Model of the Future

Having gone to this limit, anyone who is a resident of Alaska or who has visited it will immediately recognize that the potential of Alaska's public lands offers more than merely being a supply depot to be drawn upon for certain economic goods when the price is right according to the calculations of the analytical system devised to maximize these values. Richard Cooley sums this up for most of us in his classic work on Alaska's public lands, a basic work which surprisingly I found neither mentioned nor reflected in the commission's report.

In years past, Alaska was thought of primarily as a place to go to work, to acquire money, and to leave. The population was highly transient. In the last decade, however, more and more people are coming to Alaska with an altogether different purpose in mind. They have become dissatisfied with their hurly-burly, complex, and often meaningless existence that offers comfort, entertainment and security but little real satisfaction. They are well enough off financially, but happiness seems to be absent from their lives, and they come to Alaska seeking a new environment that will fulfill this need . . . What happens in Alaska could prove to be a kind of reformation; a discarding of the old mythology and a creative adventure in shaping new approaches to land and resource policy adjusted both to nature and to man's needs and values in the modern world.⁹

Not all that is happening in Alaska fits into this ideal presentation of what could be realized. As a resident, I would say that the majority of those who have come in during the last decade are still motivated by the old drive of acquiring money quickly and leaving as soon as possible. Many of the mistakes made to the south also are being repeated in the development of our communities and industries. But there is a shift in public opinion and a growing concern about what happens to the land and the environment, and a comparison of the characteristics of the last three decennial census reports reveals a growing balance and stability in the total population which was absent from previous reports. Even if Alaska is hardly more than a state in name only, the fact that it is so considered has put a definite pattern on what has happened over the last decade tending to direct development toward realization of the ideal of creation of a real human community.

At other times, therefore, the idea of Alaska as a state appeared to me not as an anachronism, but as a model of the future. This mood comes over me most strongly following a trip "outside." Many of us who are long-term Alaskan residents have been able to sense and see, on periodic trips "outside," the progressive destruction of the physical conditions essential for life more clearly than those who have acquired a protective immunity by reason of living with daily increments of environmental degeneration and social decay. In our efforts to prevent these things happening here we are finding allies in new Alaskans who represent a growing body of contemporary refugees seeking a new life in a frontier not yet totally lost. But more than escape for a fortunate few is involved.

At the heart of the multiple crises facing our society are the excessive concentrations of population until they go beyond the scale which the natural environment can carry without destruction and beyond the scale in which the individual can survive as a human being. Over the last twenty-five years I have made regular visits to several of the great metropolitan centers of the United States and Canada and have seen them grow steadily bigger and at the same time more chaotic, shoddy and dehumanized. They now face either being dismantled and reconstructed in an attempt to make them fit places

for human habitation or being burned down by their inmates. Over the past decade combinations of both alternatives have been taking place.

The commission report recognizes the need for models for something better and has recommended that steps be taken to make some public land available for a prototype “new city” on an experimental basis to provide information and guides for rebuilding a better future.¹⁰ The discussion in the report is limited to narrow real estate considerations and would appear to view the problem as primarily one of passively responding to population and industrial growth. It also points out that such experiments are complex and costly and, hence, would be limited. In attempting to develop a new state in Alaska we are using the public lands in a similar but broader, more complex and costly experiment in attempting to create a model for an entire new society.

The public lands must do more than provide space on which to build towns and cities in this experiment. They must be used in such a manner as to provide local employment to support the population of these communities. It was these goals which caused the U.S. Forest Service management programs in Alaska to include not only the principles of multiple use and perpetual yield, but also the requirement that “logs, cord wood, bolts, and other similar products not be transported for primary manufacture outside the State of Alaska.” The working circles which form the basis of the timber management programs are based upon both inventories of forest resources and plans for establishment of new industrial enterprises at each of the major existing population centers within the forest reserve. There is an economic cost involved in that the return to the U.S. Treasury on the stumpage is not maximized by the primary processing requirement (the purchaser will reduce his bid by a factor representing the cost to him of constructing and operating a plant in Alaska), but the primary object of this policy is to realize other values from the commercial use of the forest resources.

The experiment involves other departures from policies which an adherence to limited systems of economic development would dictate. Additional economic costs must be assumed by developers to

protect the physical environment and other necessities and amenities for the "good life." Certain lands and resources must be withheld from use and harvesting for commercial values in the interest of preserving higher environmental values for the enjoyment and benefit of non-resident visitors as well as residents of Alaska.

None of these departures from traditional development and land management goals would pass muster with the analytical systems of traditional liberal economics, but the discipline itself is in a period of change reflecting the underlying ferment in contemporary society. As in all such periods of ferment, it is not certain whether the process is one of chaos or creation, although the latter at one time came from the former. What is needed is a laboratory for the testing of new approaches and hypothesis as well as demonstrations of new models. Alaska, in carrying out its experiment, can serve as such a laboratory for the nation and could make a contribution toward the "general strength and happiness of the whole Union" which goes far beyond what the Congressman quoted in the previous section could ever have envisaged in his less-developed and less-threatened time.

The State of Alaska and the Native People

It is no chance occurrence that the emergence of Alaska's Native people (Indian, Eskimo and Aleut) as a potent political force coincided with the opening decade of Alaska's experiment with statehood. This movement deserves more than the quick look afforded it here, because a full understanding of its meaning leads to an understanding of the ultimate meaning of Alaska as a state—a political means of attempting to re-establish in our society a positive relationship between people and place. More is involved than simply getting an answer to the question of who owns Alaska's lands, although this is the only avenue which conveniently presents itself.

The approximately 55,000 people of aboriginal ancestry living in Alaska today are descendants of an estimated 75,000 population in this region at the time of the first Euro-American contacts in the

mid-eighteenth century. They lived under several distinct social, economic and cultural systems reflecting the adaptations made to the limitations imposed and the opportunities offered by the physical environment and the harvestable natural resources in each area. These sensitive and durable human adaptations to the various natural environments of Alaska were disrupted, and in many areas completely destroyed, by invasions of outside economic forces which looked upon Alaska not as a home but as a short-term supply depot from which to ruthlessly extract, while they lasted, a specialized list of raw materials of high value in distant markets. The true cost of these outside economic developments were not paid by the outside exploiters (or "spoilers" in the old Alaskan idiom), but by the Native people who only participated in a marginal way in the related activities and benefits. Survival was achieved by maintaining a greatly degraded semi-subsistence way of life (resulting in a decline in numbers to 26,500 by 1920) more recently combined with "benefits" from the welfare state branch of the dominant non-Native society (resulting in a rise to 43,000 by 1960).

The non-Native society was neither heartless nor unaware of its inability to assist the Native people in coping with their tragic situation. Attempts were made to provide escape routes. From the beginning some form of educational program was provided with the object of assimilating the Native people into the new dominant culture and wage labor economic system. Where the traditional aboriginal pursuits had some affinity for the new commercial enterprises as in salmon fishing and canning there appeared to be some progress toward these goals, but subsequent developments (i.e., the crash of the salmon resource in the late 1940's and 1950's and the failure of Indian fishermen to move into new jobs created in forest products) have proved even these cases to be illusory. A comparison of vital statistics and census data have revealed that each decade several thousand Alaska Natives "disappear." Allowing for statistical errors, this is an indication that a significant number who migrate from the villages or from Alaska do cease to be "Natives." But the majority stubbornly rejected the route of assimilation as a means of escape from the poverty in which they are caught.

Other alternatives were suggested by the statehood movement of the 1940's and 1950's. The basic objective was to obtain more local control over or ownership of Alaska's natural resources and to substitute resident for non-resident interests as the guide in their utilization and management. Self-determination and other political values were also involved, but these were means toward the economic and social development aims of the majority of Alaskans who supported the movement. As they found their ancestral lands threatened in the post World War II period by a formidable array of federal giants—the Atomic Energy Commission with its plans to convert the Alaska arctic into a nuclear testing grounds and the Corps of Engineer's giant Rampart power development, and then the invasion of the international petroleum industry, regional Native groups set up organizations to protect their interest in their land and their way of life. These were transformed into the statewide Native land claims movement and the development of a unified political force in the Alaska Federation of Natives. The Native movement is more than a parallel to the statehood movement which preceded it and goes much deeper.

Land is more than a convenient economic symbol or a commodity for the Alaska Native. He finds his whole identity as a human being tied up with it, whether he still lives in the village of his people or is making his way in the white man's world at Anchorage or elsewhere. It has become an effective political tool or weapon in dealing with the white community. Depending upon the terms of the settlement arrived at, it will provide in itself or through revenues derived from its use a set of meaningful alternatives for the Native to choose from in selecting his future. No longer will he face the alternative of continued poverty in a subsistence village life with a depleted resource base or one of making a full assimilation into a foreign culture. As in the case of the broader experiment of creating a state, this will also require programs for its realization which will be justified on values other than purely economic.

The Commission's Public Benefit— A Case of Misplaced Concreteness

Developing a state has basic implications for ownership and use of public lands. It looks at land as a place to live as well as the source of making a living, as a home as well as a supply depot. The benefits to be promoted appears to be primarily regional and local, but as I have indicated they could have significant national benefits implied in the whole legal process of advancement to this status. The commission's concept of maximizing public benefits must be related to Alaska as a state in the making, given the dominance of federal public lands in Alaska and the dominance of Alaska in the total public lands of the nation.

The Organic Act under which the commission was created and functioned sets forth specific duties to be performed and the general charge to report to the President and Congress the legal and administrative actions needed to assure that the "public lands of the United States shall be (a) retained and managed or (b) disposed of, all in a manner to provide the maximum benefit for the general public." A study of the efforts of the Commission as reflected in the discussions of the 137 recommendations, the preface, the program for the future, and chapter two and chapter three of the resulting report is of critical importance in relating the recommendations to the topic of this panel. At the heart of the report is the determination of the meaning of the "general public" and the "maximum benefit" which will guide continuing decisions as to disposal of public lands and management of those retained. In approaching these two objectives, the report follows two different and sometimes conflicting routes.

Public benefit is an evolutionary and highly subjective and relative concept. It cannot be determined by reference to absolutes. This is properly the objective to be served by the political process of a democratic society, in which divergent opinions and interests come into contact and conflict and resolve themselves into a consensus approximating what the "general public" believes to be its "maximum benefit." The commission has recognized this and gives recommendations which could make existing political

institutions and machinery more effective in discharging this essential task in relation to public land issues. The first basic premise of the commission's program for the future, for example, is that "Congress, elected by and responsive to the will of the people, makes policy; the executive branch administers the policy." Some of its recommendations would enlarge the role of state and local governments, provide for public discussion and participate in all major decisions, create regional commissions for land use planning, etc.

The commission (or its members and staff), however, is only human, and as such has an underlying split personality which would support a more certain, objective and "scientific" means of achieving these aims. Throughout there is a strong urge to discover or create some order in the subject, to make the definition of public good objective and the measurement of the maximizing effects of existing or proposed policy as scientific as possible. From the outset we are told that there are to be "controlling standards, guidelines, and criteria," although it is noted that "judgment would be required." We are told in the preface that in considering its talk, the commission used a check list of "justifiable interests" that led it to its subsequent recommendations and conclusions which met "the test of providing the maximum benefit for the general public." We are also informed in the preface that "the Commission considered all the resources and uses of the public lands to be *commodities*," which would lead us to anticipate an analytical system drawing from the academic discipline of economics rather than politics. In fact there is strong evidence that economic factors alone are to be the primary measure of public benefit. This approach reaches its most complete statement in the discussion of recommendation 2.

Maximum public benefit in planning for public land use will be obtained, according to the recommendation, when the Congress specifies the factors to be considered in making the decision and an "analytical system" determines the application of these factors to the specific decision by the executive agency involved. Having made this recommendation, however, the commission immediately deprives Congress of its role by going on to list the several general categories of factors which "can serve all of the agencies equally." In

order to assure consistency of results and effort among the several agencies, “this process should be standardized with common units of measurement and a system for the comprehensive analysis of the factors considered.” After considering benefits-costs analysis, the executive branch’s PPBS (Planning, Programming, and Budgeting Systems) and the techniques used by the Department of Commerce in its national income measurements, the commission concludes that a regional input-output analysis is “the only approach that provides a reliable basis for making comparisons of economic impacts for different land uses.” Although the commission intends “the factors and procedures suggested above to be the primary basis for land use decisions generally . . . *for those limited situations where choices among conflicting uses cannot clearly be made after application of this system*, Congress should attempt to provide guidelines that could be used to resolve such conflicts.” [italics added]¹¹ In other words, even those factors and goals which at present do not fit the “common units of measurement” are not to escape what will eventually be an all-embracing machine system or possibly an alliance of systems covering economic, social and other factors and goals.

The other half of the commission’s personality, however, asserts itself repeatedly throughout the report and even in this crucial section. When the system personality of the commission asserts in recommendation 30, for example, that “dominant timber production units should be managed primarily on the basis of economic factors so as to maximize net returns to the federal treasury,” its non-system personality counters in recommendation 34 by asserting that the “Federal Government has an obligation to those who depend on public lands for their livelihood” and that they “should be given consideration in the management and disposal of public land timber” even to the extent of continuing such un-economic practices as the ban on export of logs from public lands and setting “the size limit for this industry in terms of qualifying for Small Business Administration assistance.”¹²

This see-sawing is continued from the beginning to the end of the report, but it is in no sense a real debate between opposite views. The most the non-system side of the commission does is seek recognition that some minor exceptions must be made as we go

along. Ultimately the analytical system should determine the correct decision in each public land issue. Full realization of this only awaits further refinements of the system to embrace those "limited situations" that at present do not fit in and the generation of appropriate data.

The Commission's Analytical System— The Wrong Tool Kit

It could be argued that I am in error in seeing the commission as split into system and non-system personalities. The true split may be between accepting only economic factors and analysis as determinants of all decisions or allowing exceptions only until companion systems can be devised to take care of all general categories of factors. Limiting our observations only to the forms of economic analysis considered by the commission and implied in its assumptions and approach, however, we find a further narrowing of scope and vision. With the exception of the chapter dealing with the environment and passing references to it elsewhere in the report, I had the impression of reading a report of the 1940's or 1950's when the national crises focused on the natural resource base and progress was still defined in terms of economic output of goods and services. Now economists are recognizing such additional values as the "quality of life" and the environment as something embracing the resource base and transcending it in terms of economic welfare.

The commission gave no evidence of being aware of these changes, or possibly the evidence was that they choose to ignore them. In the consideration of goals and systems of analysis, they showed no awareness that we are finally freeing our choices of futures for our society from the tyranny of economic growth and traditional analysis. The sacred Gross National Product is being treated with diminishing awe by a new generation of economists. As defined by Edward J. Mishan,

This index, as economists know, is an artless though effective device which can be counted on to register some economic gain for almost any country from one year to the next. For the principle employed

is simply that of toting up the values of all man-made goods while assiduously ignoring all the man-made bads that are produced simultaneously. These bads (or “spillovers” as they are commonly called) include development blight, the erosion of the countryside, the accumulation of oil and sewage on our coasts, contamination of lakes and rivers, air pollution, traffic congestion and shrieking aircraft.¹³

Professor Mishan has proposed a number of approaches to including these “bads” or social costs in the economist’s calculus, among them the recognition of “amenity rights” on the same basis as the traditional economists have recognized property rights. Regional economists have for some years included “amenity resources” (i.e., natural resources that do not enter directly into the production process, but condition the manner in which economic decisions are made) in a region’s natural resources endowment.

Professor Mishan is not alone in pointing out that the contempt that the so-called hard-boiled economists heap upon the “soft” or “sentimental” economists is based upon a “misplaced concreteness which, despite occasional disclaimers in our more civilized moments, tends to associate utility, or value, with market prices. But if all that is priced has value, the reverse is certainly not true.” Among economists interested in welfare he is not alone in putting a “price” on those things that escape the market mechanism. Inspired by the teachings of Galbraith, Ayres, Myrdal and others, for example, there has emerged the first steps toward an institutionalization of the search for new approaches in the recent establishment of the Association for Evolutionary Economics.

Addressing himself primarily to young economists in underdeveloped countries in the 1950’s, Gunnar Myrdal urged them to “have the courage to throw away large structures of meaningless, irrelevant and sometimes blatantly inadequate doctrines and theoretical approaches and to start their thinking afresh from a study of their own needs and problems. This would take them far beyond the realm of both outmoded Western liberal economics and Marxism.”¹⁴ His advice of over a decade ago has application to the young economists of the so-called developed nations and we have had an upsurge of unorthodoxy within the profession in response to

recognition of the failures of traditional approaches to meet the critical needs of our times. Unfortunately none of this is reflected in the report.

The Public Benefit Revealed—Over and Over Again

It is not my intention to belabor this point beyond noting that the evaluation of any system of analysis is not in terms of its elegance and appearance of precision, but in the identification of what the system takes as given (i.e., not problematical). Ideas and factors that would disrupt or cannot be conveniently assimilated into the system are consciously or unconsciously discarded and what is left in does not necessarily reflect what is strategically important in the real world or the objectives and aspirations of real people. The regional input-output systems favorably considered by the commission as a means of establishing benefit maximization, or any of the other systems considered, can only treat those factors which are set to common units of measurement and included within the framework of the system. In short, they are capable of treating in only a limited way a narrow range of economic values, factors and goals. Virtually everything I have discussed as representing the values, factors and goals inherent in the experiment of creating a state from the public lands of Alaska, and the more basic Native land issue, therefore, would be off limits in any analytical system of the sort considered. The commission's view that all resources and use of the public lands are to be considered as commodities, for example, is incompatible with the land ethic of the Native Alaskan which treats it as home. This relation of the underlying pattern of the recommendations to Alaska raises the question of their relevance in the determination of any other version of the public benefit.

I repeat that the public benefit is an evolutionary, highly subjective and relative concept. It is not an absolute and it cannot be discovered and measured and weighed and described by application of a set of absolute principles, standards, criteria and analytical systems. Granting all of the truly great accomplishments of the commission in performing this tremendously important and difficult task, one basic flaw is the search for concreteness and stability, when

it could or should never be found, in the concept of the public benefit.

In preparing for this conference, I found in my files a form letter from the director of the commission dated 13 October 1966 inviting me to provide suggestions of "identifying and structuring criteria" for determination of the maximum benefit for the general public which would "put decision-making within the commission on a plane above reliance on divergent opinions arrived at without reference to a common base." At the time this letter was received I was reading a journal article by my friend and former colleague Harvey Berlott on "New Directions in Social Planning." The original source and reference is lost, but I had written the following quote on the bottom of the letter, "Voluntary and democratic processes have been built into social planning operations; broad citizen involvement has been sought; a pluralistic approach to the definition and solution of social problems has been accepted." This was the only reliable formula I could offer to the commission for the determination of public benefit and the only approach toward maximization. The comments of Director Pearl this morning were of considerable interest and concern to me in this regard. To paraphrase, he concluded that policy *must* be established in advance in accordance with a "public interest test" so we would "know the rules of the road" in arriving at the correct decisions. If we are to follow this approach, there will be no voluntary and democratic process or broad citizen involvement and with a hygienically predetermined test, no pluralistic approach to the definition of the benefits to be maximized, the determination of policies of maximization and the solution of problems. Goals and objectives will all be determined by the system.

NOTES

¹Public Land Law Review Commission, *One Third of the Nation's Lands*, Washington, D.C., June 1970 (hereinafter referred to as PLLRC). Recommendation 8, pp. 54-56; recommendation 15, pp. 64-65; recommendation 34, pp. 99-101; recommendation 49, pp. 132-133; recommendation 68, pp. 177-178; recommendation 70, pp. 180-182; recommendation 78, pp. 198-199; recommendation 107, pp. 248-249; and an unnumbered but strong recommendation for "... the early enactment of legislation to resolve the problem of Native claims and end the current impasse," pp. 248-249.

²PLLRC, p. 327.

³PLLRC, p. 65.

⁴I am having duplicated for distribution with my paper a current treatment of these matters by my colleague, Professor Arlon R. Tussing, "Issues of Land Use Determination in Alaska," September 11, 1970. One of the best treatments of Alaska land administration and the implications of statehood is contained in R.A. Cooley, *Alaska, A Challenge in Conservation* (Madison, The University of Wisconsin Press, Second Printing 1967). A comprehensive background analysis of the Native claims issue is contained in the Federal Field Committee for Development Planning in Alaska, *Alaska Natives and the Land* (Washington, D.C., U.S.G.P.O. 1968) and U.S. Senate, Committee on Interior and Insular Affairs, *Alaska Native Settlement Act of 1970: Report* (91st Congress, Second Session, Report 91-925), June 11, 1970. G.W. Rogers, editor, *Change in Alaska: People, Petroleum and Politics* (Seattle, University of Washington Press, 1970) presents an anthology of essays treating the petroleum and environment issues.

⁵G.W. Rogers, *The Future of Alaska, The Economic Consequences of Statehood* (Baltimore: The Johns Hopkins Press, 1962), pp. 60-104.

⁶Representative Halvor Steenerson, Minnesota, February 5, 1915. Quoted in E. Gruening, *The State of Alaska* (New York, Random House, 1968) p. 191.

⁷National Resources Committee, *Alaska—Its Resources and Development* (Washington: U.S. Government Printing Office, 1938), p. 16.

⁸N.N. Kolosovsky, "The Territorial-Production Combination in Soviet Economic Geography," *Osnovy Ekonomicheskogo Rayonirovaniya* (Moscow, 1958). Quoted in Rogers, *op. cit.*, p. 286. For a full historical treatment see T. Armstrong, *Russian Settlement in the North*, (Cambridge, 1965); also T. Armstrong, "Soviet Northern Development, With Some Alaskan Parallels and Contrasts," *ISEGR Occasional Papers*, No. 2, October 1970, (College: University of Alaska).

⁹Richard A. Cooley, *Alaska, A Challenge in Conservation*, (Madison: The University of Wisconsin Press, 1966), pp. 129-130.

¹⁰PLLRC, p. 227.

¹¹PLLRC, pp. 45-47.

¹²PLLRC, pp. 96-97, 99-101.

¹³E.J. Mishan, "The Spillover Enemy, the Coming Struggle for Amenity Rights," *Encounter*, December 1969.

¹⁴Gunnar Myrdal, *Rich Lands and Poor*, (New York: Harper & Bros., 1957), p. 104.

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