

Alaska: Yesterday, Today and Tomorrow

Alaska Permanent Fund

One of the major territorial issues that motivated Alaskans toward statehood was that Outsiders exploited Alaska's natural resources and used them up, without Alaska getting much if anything out of it. The salmon industry was the most visible example.

Salmon cannery owners were from Seattle and San Francisco mostly, and brought their own labor force to work in the canneries for the most part, and paid very little tax on their operations to Alaska. They made tens of millions of dollars in profit every year. Alaskans believed they had already had the same experience with the development of copper, and gold. Eventually the idea of the Permanent Fund became a reality in order to keep something for Alaskans from the exploitation of Alaska's oil. It was a good idea that worked. In 2005 the Alaska Permanent Fund was worth about \$30 billion.

But in some ways the Fund has also become a curse. Alaskan voters seem unwilling to use any of the annual earnings of the Fund to balance the state budget. Use of some of these earnings to balance the state budget would reduce the amount of money paid out in Permanent Fund Dividends. In the future Alaskans are going to have to seriously ask themselves whether they may have to use some of the Permanent Fund earnings to pay for the costs of education, fire protection and emergency medical response and other needs of Alaskan communities.