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**Notes: Originals on 7-inch reel. Master copy on CD.**

[Recording begins with unclear talking due to bad recording quality.]

1:36 The speaker [Paul Norman Ylvisaker] says that he knows that the purpose of the convention 20 years ago was to demonstrate to the skeptical Bottom-48 [contiguous USA] that Alaska was mature enough to be a state and the maturity was clearly demonstrated in the constitutional convention. They produced a constitution that has survived and prospered alongside with Alaska.

The speaker poses a question of what they are trying to demonstrate in 1976 by coming back again. He says that there is a world waiting to see what Alaska will do in next several years.

Ylvisaker was invited to Iran to make a bi-centennial address on problems of urban development to the Iranians in Teheran. He brought his son with him. His son is a planner and has been with Ylvisaker in Anaktuvuk Pass to watch the North Slope Eskimos deal with oil consortium, and he was impressed by the people of Alaska.

They went to Persepolis that is 2,500 years old city that is still magnificent reminder of the culture that existed there.

3:43 When Ylvisaker got back to Teheran, he was humbled because he was going to talk in 200<sup>th</sup> year anniversary of USA and Iranians were celebrating their 2,500<sup>th</sup> year anniversary.

Ylvisaker talked about Alaska in his speech in Teheran because he was struck by the similarities between Iran and Alaska. He had found 15 similarities and Iranians were sure he was talking about Iran. He lists some similarities: Oil production,

rapid growth, development of cities that are significantly larger than other communities. Teheran is growing by 500 people and 300 cars per day. There's also vulnerability as far as climate and geopolitical forces are concerned.

[Ylvisaker continues talking about the Shah and the Mayor of Teheran, illustrating the difference between Iranian and Alaskan political figures.]

8:28 Ylvisaker's speech was a test of whether he could speak directly to Iranians, and he was able to do so through examples from Alaska. He presented Alaska as another oil developing community with the difference that it has grown on a premise of freedom.

A very sensitive young reporter spoke to Ylvisaker after the speech and told him that Ylvisaker had effectively told the Shah's regime to let people express themselves. He continued that if Shah told everybody to do what they want the people would throw rocks through the windows.

The contrast between Iran and Alaska is sharp, but it indicates that there are communities who are watching what "you" are doing.

Ylvisaker says that the vitality of American federalism comes through the strength that the whole has. They have diversity, the magic of self-restraint, and creativity to turn diversity into a real community. The further strength of the community makes certain that the community isn't turned into conformity.

Ylvisaker asks why people are revisiting constitutions, and answers that it is necessary. Both Alaska and USA's constitutions are documents that need the flesh and blood of living with the changes that come from incremental creativity in using the instruments. Both instruments have the capacity to change. Alaskans have changed theirs, and the Supreme Court has changed it too. Ylvisaker says that "you" are coming together because the challenge now is to do the same kind of constitution building to Alaska's economic order as "we" have done to "our" politic order.

12:27 Ylvisaker thinks their documents are doing well in organizing, controlling, regulating, and giving creativity to the political process. Now the economic process is under review. They don't have a written constitution for economy but

economy needs the kind of thorough look that Alaskans gave to their politics 20 years ago. The economic order, as loosely defined, is working in its own way but it is not producing a community out of diversity.

In USA, there is a split in the society that divides them regionally and socially. They come together because the Sun Belt is beginning to split away from the old urban order of northeast and central parts of USA that was built on the industrial system. There is a vast migration away from industrial order with central cities, factories and slums, and into the Sun Belt, and to Alaska that is the Ice Belt.

14:23 Hundred years ago, North was prospering and going into the Industrial Order while the South was a decaying agricultural area about which [William] Faulkner wrote of. Black people, old people, Puerto Ricans and others have moved north to form a slave class, while employment and prosperity moved to other areas of the country. The economic system in the USA doesn't guarantee everybody basic sustenance and health programs regardless of where they live.

Ylvisaker says that the same economic order has been transposed to the world. By the year 2000, 4/5<sup>ths</sup> of the population will be living in less developed nations that have been growing economically by the rate of 6% a year in the 1960s, and 4.2% a year in 1970s, with no gain in per-capita income for all those populations that are now numbering over 3 billion.

16:17 That's produces the widening gap between an elite group, the controlling minority within 33 nations whose median incomes are 30 times of the total amount of what the bottom 40% of those populations have. It is aggregating lots of power in the hands of the few. More than that, conditions are deteriorating in terms of environment, as are conditions in cities.

Alaska stands in between, being a developing community that has the luck of having oil production. They have prospects of having the flow of revenue income into the society, which is estimated to be \$1 billion dollars by year 1999. Conventional economics aren't going to produce a good future for "you" or the rest of the world.

Ylvisaker says he isn't talking as a radical socialist academic, but as a member of 2 major American corporations' board of directors, and he is talking as "we talk around the tables of those directors."

18:19 Taking a look at what the problems are, there is the overall test of credibility of the economic institutions by which people live. First there's the credibility of the government as the agent that can run free and affect businesses. The credibility of American corporations and the state is low according to consumer polls.

Corporations are now under fire for their social credibility. In late 1960s, they put consumer representatives into corporations so that Reverend Lee [unclear] Sullivan is now a member of GM [General Motors?] but stands practically alone. In Europe, which is moving much faster than USA, corporations are pushed too much by public legislation and they are being converted to being socially accountable institutions in which workers are made into members of corporate boards by law. It is businessmen who are getting together to say that they have to face the fact that their credibility is in question.

20:13 There is also a question of how one decides whether an investment is profitable. The people who are making investments are making them in shorter term considerations than the public can endure for long and they also have a narrower criteria than those in politics know to be necessary. There is also the question of ground rules by which they do their business.

Ylvisaker reminds the audience that as they develop investment funds, the temptation is to do what the banks did with the ghettos, which was to redline where they were and to send their money to where they would get a higher return. Ylvisaker says it will be interesting to see how Alaskans invest funds coming through Native Claims Act and from oil revenues, and whether they too will go to where the capital return is the highest. Local investments are few and they do not compete in the counting of costs. [Ylvisaker gives an example of his corporation in Detroit.]

22:48 Ylvisaker poses a question about whether Alaska is a mature member of the world community and if they are a vital part of a vital system in what is coming in the future as population grows into 8 billion.

Alaska has started to develop from below and they didn't wait for the continuation of paternalism from Washington D.C. They became a state so that

they could effectively bargain their own birth right and deal with their own future.

Ylvisaker has been impressed with Natives in Alaska who have showed the ability to bargain. People in Mexico have been kicked out of the land. They have arrived beat in East Los Angeles and have had to invent pride that gets to be phony, because from papers it looks like that they were alcoholics who gave their lands away [even if it wasn't so].

The oil consortium was held in Barrow one night and they offered the Eskimo community jobs on the pipeline. There was a cold but polite return reminding the oil industry that Eskimos own the place and want to be met as equals.

27:02 Ylvisaker says that if he looked behind a scene of a Native corporation, the problems he would see would show that it's easier to talk about them somewhere else and to "show performance here," but performance has been growing. Community development corporations are a promise for the future, but participation by the community in economic institutions and decision making is tough. Nevertheless, Ylvisaker is hopeful for North's promise if not its immediate performance.

27:46 There is an immediate opportunity. People are dealing with process of investment of windfall [from oil revenues] and Ylvisaker asks them to consider what the purpose of their investments is. Some of their investments might go into other developing communities that don't have Alaska's reserves but where their investment might mean a great deal.

Secondly, Ylvisaker wants to ask who are making the decisions and what criteria they are going to use. There's an argument between business investments, social investments, and the continuum of investment, but having a high return doesn't mean that something would be a bad social investment. Instead of talking about business and social, they ought to be talking about validity of investment in terms of strengthening communities. Boards of directors are talking about how to more adequately tune themselves to social needs.

30:41 Alaskans have to develop education in a broad sense. They are hungry for learning and there are developments in distance learning and lifelong learning, but that only pertains to elementary, secondary and higher [education levels].

Their total population needs constant learning opportunities and Alaska faces the challenge of doing that in distance. To develop understanding of the problems is Alaska's greatest weapon. As Ylvisaker talked to Charlie Edwards, Charlie understood the world's oil system and that made him a good bargainer. People also needs openness and access to decision making. Process of opening leads to intelligent decisions.

[End of the PT. 2.]