

# THE PRIBILOF ISLANDS: A VIEW FROM THE PERIPHERY<sup>1</sup>

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*Abstract:* Seventy-three years of federal administration of the Pribilof Islands came to an abrupt end in October 1983 when the U.S. Congress voted to terminate the mandate of the Pribilof Islands Program. To ease the ensuing transition to home rule, the U.S. Congress established a \$20 million Pribilof Islands Trust. Yet reasonable estimates indicate that most of this money will go to improve the infrastructure of the islands and to rehabilitate the aging power plant, sewage systems and housing stock of the local communities to meet state codes. The Trust is wholly inadequate to launch the Pribilof communities safely on the road toward economic self-sufficiency. Motivated in part by the campaign to end the commercial harvest of northern fur seals on the Pribilof Islands, the recent federal action may also stimulate economic development, proving more harmful to the fur seal population than a modest and carefully controlled commercial harvest. The emergence of a sizeable commercial fishery based on the Pribilof Islands, for example, could easily reduce the carrying capacity of the marine ecosystem for fur seals (as well as for other marine mammals), produce a substantial incidental kill of fur seals through entanglement in fishing nets and make the coastal areas of the islands less hospitable to fur seals as rookeries.

*Résumé:* Soixante-treize ans d'administration fédérale des îles Pribilof se sont soudainement terminés quand en octobre 1983, le Congrès des États-Unis a voté pour discontinuer le mandat du «Pribilof Island Program». Pour faciliter cette transition à un gouvernement local, le Congrès américain a établi une fiducie de 20 \$ million, la «Pribilof Island Trust». Pourtant, on estime que la plupart de cet argent sera destinée à l'amélioration de l'infrastructure des îles et à la réhabilitation de la vieille centrale d'énergie, du système d'eaux et d'égouts et des habitations des communautés locales, afin de conformer aux codes d'état. La fiducie est entièrement inadéquate pour un départ au renouvellement économique dont les communautés des îles auront besoin pour devenir autonomes.

Motivées en partie par la campagne pour mettre fin à la chasse commerciale des phoques du nord sur les îles Pribilof, les récentes démarches fédérales pourraient aussi stimuler le développement commercial de la région; par contre, ces mêmes démarches pourraient être plus nuisibles à la population de phoques qu'une récolte commerciale modeste et contrôlée. L'arrivée d'une large flotte de pêche commerciale sur les îles pourrait, par exemple, réduire la capacité de l'écosystème à soutenir les phoques et autres mammifères marins. Il semble que nombre de phoques périssent dans les filets de pêche. Ces développements feraient des côtes des îles Pribilof des lieux moins accueillants pour les colonies de phoques.

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### Background

The Pribilof Islands comprise five small volcanic outcroppings in the central Bering Sea along the southern edge of the former Bering Land Bridge.<sup>2</sup> The two largest members of the group, St. Paul and St. George, cover 44 square miles and 33.5 square miles respectively. The remaining three, Otter Island, Walrus Island and Sea Lion Rock, are much smaller, covering less than two square miles altogether. Uninhabited at the time of their discovery by the Russian explorer Gerassim Pribylof in 1786, the islands have since supported several communities of Aleut people engaged in the commercial harvest of the northern fur seal, initially under Russian jurisdiction and since 1867 under the jurisdiction of the United States.

Today, these communities have a population of 709 (551 in the village of St. Paul and 158 in the village of St. George). Of these, over 90 percent are Aleuts descended from people brought to the islands in the 18th and 19th centuries. Though subsistence hunting and gathering play an important role in these communities, the Pribilovians have always depended on the commercial harvest of fur seals for their livelihood. Almost half of the full-time (and most of the part-time) employment opportunities have long been connected with the sealing operation, which is conducted by the U.S. federal government. Even so, the per capita income of the residents of St. Paul and St. George is only \$6,410.00 and costs of living on the islands are such that this income purchases less than half as much as the average per capita income in the United States as a whole.

Since 1910, the U.S. federal government has managed the Pribilof Islands as well as conducting the commercial harvest of fur seals. Under the terms of the *Fur Seal Act* of 1966 (80 Stat. 1091), the federal government provided home heating oil and electricity at subsidized rates, supplied other municipal services, handled freight delivery to the islands and constructed housing. These tasks were the province of the Pribilof Island Program, an office of the National Marine Fisheries Service with the U.S. Department of

Commerce. This did not, however, prevent the emergence of an array of local institutions in the communities of St. Paul and St. George. Since 1950, the Aleut Communities of St. Paul and St. George have had recognized community councils under the terms of the *Indian Reorganization Act* of 1934 (48 Stat. 987). St. Paul was organized as a second class city under Alaska state law in 1971; St. George followed suit in 1983. Both communities have village corporations organized under the *Alaska Native Claims Settlement Act* of 1971 (85 Stat. 688)—Tanadgusix, Incorporated in St. Paul, and Tanaq, Incorporated in St. George. Additionally, the Pribilovians constitute a large segment of the membership of a profit-making regional corporation, Aleut, Incorporated, and the nonprofit regional organization, the Aleutian/Pribilof Islands Association, Incorporated.

### Winds of Change

Recently, the circumstances facing the communities of St. Paul and St. George have begun to change drastically. Under Title 1 of the *Fur Seal Act Amendments* of 1983 (97 Stat. 835), signed into law by President Ronald Reagan on October 14, 1983, the federal government will cease to conduct a commercial harvest of fur seals. While the statute permits the village corporations of St. Paul and St. George to carry on the harvest, it clearly envisions a time in the near future when the commercial harvest of fur seals on the Pribilofs will cease altogether. Equally important, Title 2 of the Amendments has terminated federal management of the islands and dismantled the Pribilof Islands Program. Instead, the statute seeks “to promote the development of a stable, self-sufficient, enduring and diversified economy not dependent on sealing” (Section 206). To this end, it establishes a \$20 million trust fund to be used to help St. Paul and St. George make the transition to home rule and calls for close cooperation between the federal government and the State of Alaska in assisting the Pribilof communities to move toward a new footing (Section 205).

Other drastic changes affecting St. Paul and St. George will almost certainly occur during the 1980s. *The Interim Convention for the Conservation of Northern Fur Seals*, the multilateral agreement governing the management of northern fur seals, comes up for renegotiation toward the end of 1984.<sup>3</sup> The United States is expected to advocate a final termination of commercial sealing, at least on the Pribilof Islands, in the course of revising the terms of the existing agreement with Canada, Japan and the Soviet Union. (*Editors' Note:* See Author's Note). Vigorous efforts are now underway to establish a commercial fishery based in the Pribilofs for bottomfish and hair crabs. While such developments are seen by many as offering an economic salvation for the Pribilofs, a bottomfishing industry could add 900 people to

the population of St. Paul alone by 1990. Similarly, outer continental shelf oil and gas development could add another 827 people to the population of St. Paul by 1990 (though this number would gradually decline thereafter). The geologic structures known as the St. George Basin lie in close proximity to the Pribilof Islands. If the tracts included in Outer Continental Shelf Lease Sale Number 70 (which was held on April 12, 1983, though actual leases have only recently been conveyed) prove to contain commercially significant quantities of oil and natural gas, the Pribilofs could become a logical site for a marine support base and terminal facility.<sup>4</sup> Beyond this, recent years have witnessed a substantial rise in the numbers of tourists visiting the Pribilof Islands to view marine mammals and bird cliffs. Though tourism of this type appeals to a limited clientele and is viable only during the summer months, its growth constitutes another major source of change for the communities of St. Paul and St. George.

### **The Challenge of Adjustment**

From the start, St. Paul and St. George have exhibited the attributes of peripheries in a core-periphery configuration (Dryzek and Young 1984, Anders 1983). In economic terms, this involves a constellation of conditions including: (1) a focus on harvesting or extracting natural resources for export, (2) a strong dependency on ups and downs in the world market for the relevant resources, (3) control of the local economy by outside sources of capital and decision makers and (4) a paucity of local investment opportunities. The hallmark of peripheral status in political terms is an inability to participate effectively in public policymaking affecting the local area. Drastic changes affecting the circumstances of the periphery are initiated in distant capitals (e.g., Washington and Juneau) by decision makers who cannot be expected to place high priority on the welfare of residents of the periphery (e.g., the residents of St. Paul and St. George). The concerns of the remote communities are of no more than marginal significance to the distant decision makers. Changes of the type outlined in the preceding section are therefore hard for peripheral communities to predict in terms of both content and timing. As a result, those located in the peripheries find it difficult to engage in effective planning for change. What is more, residents of these communities often suffer a severe loss of efficacy as they find themselves buffeted by external forces over which they have little or no control.

St. Paul and St. George constitute relatively extreme examples of peripheries in these terms. The two communities were literally created to serve the needs of a single export industry completely controlled by outside interests. With the passage of time, St. Paul and St. George became company towns administered by and existing at the pleasure of firms like the Alaska Com-

mercial Company.<sup>5</sup> Nor did this situation change materially once the U.S. federal government took over the harvest of northern fur seals in 1910. By many accounts, the circumstances of the Pribilovians actually deteriorated under the management of the Pribilof Islands Program.<sup>6</sup> With respect to public policy, the fate of St. Paul and St. George is closely tied to federal actions under the terms of the *Marine Mammals Protection Act* of 1972 (86 Stat. 1027), the *Fishery Conservation and Management Act* of 1976 (90 Stat. 331) and the *Outer Continental Shelf Lands Act Amendments* of 1978 (92 Stat. 629). Yet the communities have little ability to affect the stance adopted by the United States in the course of negotiations relating to the international management regime for northern fur seals. Similarly, they have virtually no influence over the actions of the North Pacific Fisheries Management Council regarding the marine fisheries of the Bering Sea or the decisions of the Department of the Interior relating to offshore lease sales in the Bering Sea. As a result, St. Paul and St. George find themselves constantly reacting to changes in public policies motivated by interests and concerns having little to do with their welfare.

The fundamental challenge of adjustment for St. Paul and St. George, then, is to devise methods to break out of this core/periphery configuration. Above all, this means taking steps to decouple the economy of the islands from the larger, outside economy, establishing locally controlled economic ventures as well as avoiding the monoculture problem besetting many peripheral areas of the Third World. In addition, the Pribilof communities must create well-integrated, effective local institutions. No effort to achieve self-sufficiency can succeed in the absence of local institutions capable of minimizing conflict, handling collective decision making, in a decisive and efficient fashion and ensuring that available energy is focussed on efforts to promote the common good. In these terms, the advent of home rule on the Pribilofs under the terms of the *Fur Seal Act Amendments* of 1983 certainly constitutes an unusual opportunity to initiate steps aimed at breaking out of the core/periphery configuration. Given the timing and conditions of this transition, however, St. Paul and St. George will also face serious problems in their efforts to make a success of home rule.

### **Economic Options**

Apart from public sector activities, the only significant industry that has ever developed on the Pribilofs is commercial sealing (Foote et al. 1968), and, in 1984, it remains the major source of employment on the islands. During the 12 years since commercial sealing ceased on St. George, moreover, no other commercial or industrial activity has emerged to take its place (Young 1981:70-72). Nonetheless, it is possible to identify a number of economic

options available to St. Paul and St. George in the wake of the passage of the *Fur Seal Act Amendments* of 1983. Each of these options has both advantages and disadvantages which are well worth examining with some care in the search for a suitable economic base to sustain home rule in the Pribilofs.

### Commercial Sealing

The *Fur Seal Act Amendments* of 1983 mandate a cessation of the federally organized and supervised harvest of fur seals on the Pribilofs. They do not preclude the continuation of a commercial harvest of seals under the auspices of the Pribilovians themselves. In some ways, the idea of taking over the commercial harvest of fur seals is an attractive one for residents of St. Paul and St. George (Young 1981b:79-82). Commercial sealing constitutes a familiar activity. Many residents of the communities are skilled sealers, and the activities associated with the harvest are deeply embedded in the lifeways of the communities. Tanadgusix and Tanaq are profit-making corporations needing to develop commercial or industrial activities to fulfill the terms of their charters. What is more, the actual harvest of seals, in contrast to the overall operations of the Pribilof Islands Program, has generally produced a profit, even in recent years (Young 1981).

Yet commercial sealing has fundamental drawbacks as an economic option for the Pribilofs during the era of home rule. There has been no commercial harvest of fur seals on the island of St. George since 1972. Any resumption of this harvest would require the approval of the International North Pacific Fur Seal Commission (rather than the agreement of the U.S. federal government only), a development that is improbable. The international market for sealskin and other seal products has declined substantially in recent years as a consequence of the controversy over the Canadian harp seal harvest. While this controversy is actually unrelated to the northern fur seal harvest, the distinction is somewhat subtle and not well understood among members of the general public. Under the circumstances, there are good reasons to expect that an economy tied closely to the commercial harvest of fur seals will be on shaky ground. Beyond this, it seems likely that the United States will advocate provisions calling for a termination of the commercial harvest of fur seals when the *Interim Convention* comes up for extension or renegotiation toward the end of 1984. Even if this does not occur in 1984, the pressure for termination is likely to be irresistible when the Convention is renegotiated again in 1988 or 1989. For this reason, too, commercial sealing must be regarded as an extremely marginal proposition for the communities of St. Paul and St. George during the foreseeable future.

### Commercial Fishing

Commercial fishing has never played an important role in the economies of St. Paul and St. George, yet many now regard the development of a sizeable bottomfish and hair crab fishery as the economic salvation of the Pribilofs. In fact, this line of thinking rests on a solid foundation. The central Bering Sea is one of the richest marine areas in the world so that the biological potential for a sizeable commercial fishery based on the Pribilofs is great (Gulland 1972). What is more, these resources have come under the exclusive management authority of the United States since the passage of the *Fishery Conservation and Management Act* of 1976. This means that the United States can and probably would take steps to promote and protect a fledgling fishing industry based on the Pribilofs even if it took some time for this industry to approach the level of efficiency attained by the high seas fishing fleets of Japan, the Soviet Union and Korea.

Despite this potential, however, commercial fishing has significant drawbacks as an economic option for the Pribilofs. It takes both time and a considerable commitment of resources to develop a sizeable commercial fishery. Such a move would require the construction of boat harbours at St. Paul and St. George (the current price tag for these harbours is \$15-20 million each). The vessels and gear required for a modern fishery are expensive—several million dollars per vessel would not be out of line. Depending on the character of the industry under consideration, it might prove necessary to construct sophisticated fish processing facilities at St. Paul and/or St. George. Additionally, the operation of a modern fishery depends on the availability of a cadre of skilled and experienced individuals. While there is no reason why such a cadre could not emerge among the residents of St. Paul and St. George, it certainly does not exist today and it cannot be expected to emerge overnight.

A sizeable commercial fishery would also have significant biological impacts that might seem unfortunate to many interested parties (FEIS 1980). Such an industry could easily generate serious competition for fur seals and other marine mammals that prey on fish, thereby reducing the carrying capacity of the central Bering Sea for various species of mammals. It is inevitable that seals and sea lions would become entangled in fishing nets and suffocate. While it is hard to predict mortality levels from this source in advance, this problem would certainly give rise to serious frictions between Pribilof fishers and influential environmental groups. Much the same can be said about the incidental kill of seabirds, a matter of genuine concern since the Pribilof Islands harbour the most important seabird colonies in the entire North Pacific (Sowls et al. 1978). Beyond this, a sizeable commercial fishery would certainly alter the onshore ecosystems of the Pribilofs. This

would be particularly true in the event that a large processing facility attracting a substantial influx of new residents were established. In this connection, it is easy to imagine the occurrence of a chain of events that would make the islands less hospitable to northern fur seals as a breeding area. Coupling these observations with the fact that the U.S. federal government continues to own the seal rookeries and the seabird cliffs on the Pribilofs suggests that the development of a large commercial fishery in this area would precipitate a continuing series of conflicts between residents of St. Paul and St. George on the one hand and various agencies of the U.S. government backed by environmental groups on the other.

Nor are the socioeconomic impacts of a sizeable commercial fishery based on the Pribilofs likely to be particularly attractive. Markets for fish and fish products, like markets for other natural resources, are notoriously volatile. It is therefore highly undesirable for communities to become too heavily dependent on these markets for their livelihood. The development of such a fishery would require capital in excess of anything available locally on the Pribilofs, especially if an effort were made to proceed with the establishment of a substantial processing facility. Under the circumstances, it would be necessary to seek outside sources of capital, and this inevitably creates new opportunities for the exercise of control by outsiders. It has been estimated that a commercial fishery, encompassing a shore-based processing facility, could add 900 new residents to St. Paul alone by 1990. Even if this expansion were to be carefully controlled and conform to some plan for enclave development, it would bring fundamental social changes to the islands. It might even result in a situation in which the Aleuts became a minority in their own communities (compare the case of Unalaska, as described in Jones 1976). Without constant planning and regulation, therefore, the development of a large commercial fishery could lead to qualitative changes in the lifeways of St. Paul and St. George, even though it might offer a salvation for the islands in purely economic terms.

None of this is meant to suggest that commercial fishing is not an attractive economic option for St. Paul and St. George. Contracts are already being let for the construction of the boat harbour at St. Paul, and the prospect of commercial fishing is undoubtedly energizing people in the communities today (Lord-Jenkins 1984). The preceding observations do, however, suggest the virtues of a cautious strategy for the development of a commercial fishery in the Pribilofs. The fishery should be planned deliberately as a small-scale operation relying heavily on appropriate technology in contrast to state-of-the-art, capital-intensive technology. Such an arrangement would be well suited to the skills and needs of the Pribilovians, and it would minimize the risks of external control. What is important to St. Paul and St. George is the achievement of self-sufficiency on a small scale rather than



capturing a significant share of the market for any species of fish. Additionally, St. Paul and St. George should *not* attempt to construct a shore-based processing facility for fish. Such a facility would be highly conducive to the occurrence of undesirable biological and socioeconomic impacts. Moreover, it is unnecessary given the alternative of entering into long-term joint venture contracts with Japanese or Korean processors.<sup>7</sup> Under an arrangement of this sort, the Pribilovians would be able to work as fishers rather than as factory workers; the economy of the island would not become totally dependent on commercial fishing, and the carrying capacity of the ecosystems of the central Bering Sea for Marine mammals and seabirds would not be substantially diminished.

### Hydrocarbon Development

There are three distinct scenarios regarding the local economic implications of the search for oil and gas in the St. George Basin. Perhaps most likely is the prospect that exploratory work will fail to turn up commercially significant reserves of oil or gas. In this case, the economic consequences of hydrocarbon development will be minimal as far as St. Paul and St. George are concerned. A second possibility is that commercially significant reserves will be located somewhere in the St. George Basin but that their location and configuration will be such that the Pribilofs do not constitute an appropriate site for a marine support base and terminal facility. Such a development might produce biological impacts (from spills or chronic discharges) that would adversely affect the economies of St. Paul and St. George, but it would not produce jobs or revenues for these communities, except in the unlikely event that the U.S. federal government should decide to initiate a revenue-sharing plan to funnel some of the proceeds from offshore oil and gas development to affected local communities.

The most controversial scenario with respect to hydrocarbon development arises from the possibility that St. Paul could become the site for an onshore marine support base and terminal facility in connection with the commercial production of hydrocarbons in the St. George Basin. This is almost certainly the least likely of the three scenarios, but it would have far-reaching implications for the Pribilofs if it should occur. Such a development would have the great attraction of providing a large potential tax base for the city of St. Paul and perhaps St. George as well. By way of comparison we should look at the case of the North Slope Borough which derives over half of its revenues from property taxes on the industrial installations at Prudhoe Bay (MacBeath 1981). This could literally transform the economic picture of the Pribilofs for a long time to come. Yet such a development would also carry a high price tag in other terms. As mentioned, it could add as many as 827

new residents to St. Paul alone by 1990, thereby transforming the community in socioeconomic terms. The oil and gas industry would certainly be controlled by outside decision makers, and most of the better jobs at the marine support base and terminal facility would not go to Aleut residents of St. Paul and St. George. Such a development could well have adverse effects on commercial fishing, subsistence hunting and tourism, even if conscientious efforts were made to minimize these effects. Moreover, hydrocarbon development does not offer a long-term economic base for communities like St. Paul and St. George, even under the best of circumstances. All that can be hoped for is 20-30 years of prosperity based on a high technology industry that will predictably move on as available recoverable reserves are exhausted. Of course, it is possible that the revenues collected by the local communities during this period can be used to initiate and secure other economic activities offering long-term stability.<sup>8</sup> All-in-all, however, hydrocarbon development hardly offers the sort of economic option that can be counted on to provide a secure basis for self-sufficiency for St. Paul and St. George during the era of home rule.

### **Tourism**

There has been a surge in tourism in the Pribilofs during the last decade. About 1000 tourists a year (most of whom reach only St. Paul) now visit for periods of two days to a week. In addition, several cruise ship operators (e.g., Lindblad Salen) have recently included a stop at St. Paul and/or St. George on their itineraries during the summer months. The attractions of the Pribilofs for tourists are considerable. Despite uncertain weather conditions, the islands offer some of the largest and most accessible aggregations of marine mammals and seabirds in the entire northern hemisphere. In fact, there is no other place where seals can be seen in such quantities, and certain species of birds (e.g., the redlegged kittiwake) are found only on and around the islands. Even so, the tourism potential of the islands is distinctly limited. A visit to the Pribilofs will appeal exclusively to those seriously interested in wildlife or in unconventional experiences. The climate is unsuitable for tourism except during the summer months. Only those with considerable financial means can even think about a trip to the Pribilofs.

What this means is that there is no basis for expecting tourism to become a mainstay of the economy of the island during the era of home rule. Nor would the sociocultural consequences of such a development be attractive in any case. As part of a multifaceted strategy for the achievement of self-sufficiency, however, tourism has genuine attractions for residents of St. Paul and St. George. Only those with a serious interest in wildlife and natural environments are likely to want to visit the Pribilofs. The interests of

these visitors are such that there would be no need for them to become deeply involved in the day-to-day lives of the people of St. Paul and St. George. It would even be possible to construct facilities to handle such visitors at some distance from the existing population centres. Moreover, tourism need not be capital intensive or dependent on specialized skills unavailable on the islands. As a modest industry, therefore, tourism has the virtue of offering local employment and of being relatively easy to control locally.

### **Subsistence Activities**

St. Paul and St. George are not traditional Native communities. They were created by Russian fur traders during the late 18th and early 19th centuries to facilitate the commercial harvest of fur seals. From the start, therefore, the basis of the local economy has been sealing. Nor is the contemporary character of the communities conducive to the adoption of a traditional subsistence lifestyle. The residents of the islands are clustered in two villages which have modern housing, sophisticated heating and electrical systems and a full range of municipal services. What is more, the subsistence activities that do take place are capital intensive, relying on modern rifles, mechanized ground transportation and outboard motors on boats. All this means that the residents of St. Paul and St. George are deeply involved in a cash economy; a typical family must receive a substantial cash income in order to survive comfortably on the Pribilofs today.

This does not mean, however, that subsistence is unimportant to the residents of St. Paul and St. George. Current estimates indicate that "about 30 000 kg of seal meat are used in St. Paul each year, or about 60 kg per person per year" (Veltre and Veltre 1983:17). The figure for St. George probably does not differ materially from these estimates. Additionally, the islanders make substantial use of these other subsistence resources (in descending order of importance): halibut, seabirds, the eggs of seabirds, reindeer and sea lions.

Could an increased reliance on subsistence activities ease the transition to home rule and constitute part of an effective strategy for the achievement of self-sufficiency? Though it is tempting to endorse this idea enthusiastically, the actual scope for expanding subsistence activities is not great. Most of the seal meat currently consumed by the residents of St. Paul and St. George comes from carcasses of seals killed in connection with the commercial harvest of sealskins. Should the commercial harvest of seals come to an end, this source of seal meat would disappear, and it is not likely that the U.S. federal government would permit a large harvest of fur seals for their meat alone. Some or all of the reduction in subsistence activities caused by this shift might well be offset by an expansion of subsistence fishing. This is es-

pecially true if the boat harbours mentioned in the discussion of commercial fishing become operational during the near future. Nonetheless, it seems unlikely that the overall contribution of subsistence activities to the economy of the Pribilofs will increase significantly in the foreseeable future.

### **Transfer Payments**

The *Fur Seal Act Amendments* of 1983 will not completely terminate the transfer economy that has long played a prominent role in St. Paul and St. George as well as in many other remote northern communities. The U.S. federal government will continue to provide medical and dental care to residents of the Pribilofs. The State of Alaska will remain fully responsible for offering primary and secondary education on the islands. The State has agreed to underwrite at least half of the cost of constructing the boat harbours at St. Paul and St. George. The communities are eligible to receive federal grants in support of the development of a commercial fishery as well as loans and grants under numerous other federal programs. Moreover, St. Paul and St. George can make legitimate claims to certain types of transfer payments under the generalized trust responsibility of the federal government for Native peoples (Getches et al. 1979:chap. 4).

Nonetheless, reliance on transfer payments does not constitute an attractive economic option for the Pribilofs in the era of home rule. The intent of the 1983 *Amendments* is clearly to reduce rather than to increase the role of transfer payments in the economy of the islands. There are also good reasons to expect that transfer payments justified on the basis of the trusteeship doctrine will decline during the foreseeable future. Moreover, as experience throughout the far North suggests, the social and psychological effects of relying heavily on transfer payments are highly undesirable. A dependency on transfer payments serves only to reinforce the problems of peripheral status, making it more difficult for communities to achieve self-sufficiency or to control their own destinies. Equally important, a heavy dependency on transfer payments saps the self-esteem of recipients, making it harder to energize the residents of dependent communities to take charge of their own futures (Brody 1975).

### **Unconventional Options**

From time to time sympathetic outsiders suggest the feasibility of unconventional options that might help St. Paul and St. George achieve economic self-sufficiency. Some have proposed a shift to wind generators as a means of cutting the cost of supplying electricity to the residents of the islands. Others have pushed the idea of cultivating Asian markets for powdered reindeer horn to be used as an aphrodisiac. One of the more exotic suggestions

for the Pribilofs hinges on the idea that the communities could go into truck gardening, erecting plastic domes over large segments of the islands and supplying the Anchorage market by air freight.

Most of these ideas are both impractical and uninteresting on cultural grounds. It is unclear whether a viable market for powdered reindeer horn exists, and the carrying capacity of the islands for reindeer is extremely small in any case. Whether or not modern technology is sufficiently advanced to make truck gardening feasible on the Pribilofs, it is evident that these communities could not expect to compete with other producers (e.g., the communities in the Matanuska and Susitna valleys) in supplying fresh produce to urban markets on the mainland. At the same time, it would be inappropriate to dismiss efforts to identify unconventional economic options for St. Paul and St. George out of hand. Communities such as Cape Dorset in the eastern Canadian Arctic have done well with enterprises that must surely have seemed unconventional at the time of their initiation (Iglauer 1979). What is more, the conventional options reviewed earlier in this section certainly do not offer any assured method for St. Paul and St. George to achieve economic self-sufficiency as they move into the era of home rule.

### Political Options

Without doubt, the major political challenge facing St. Paul and St. George is to devise effective local institutions to fill the gap left by the disappearance of the Pribilof Islands Program. In fact, these communities already possess an extensive system of local institutions in the form of community councils, city governments and village corporations, but this offers no guarantee that the transition from federal management to home rule will be an easy one.

Even with the passage of the *Fur Seal Act Amendments* of 1983, the U.S. federal government remains a commanding presence on the islands. It owns the seal rookeries and the bird cliffs, and it has assumed exclusive management authority over most of the marine areas surrounding the Pribilofs. Under the circumstances, the federal government will inevitably continue to make decisions drastically affecting the prospects for St. Paul and St. George. It can press for a termination of the commercial harvest of fur seals in connection with the renegotiation of the Interim Convention. It can allocate a substantial segment of the annual allowable catches of bottomfish and crabs in the area around the Pribilofs to local fishers or make these catches available to others. It can open or close the outer continental shelves adjacent to the islands to oil and gas exploration.

The *Fur Seal Act Amendments* offer little guidance regarding the evolution of local institutions on the Pribilofs. In some ways, the statute promotes

potential confusion or even discord by failing to establish any clear-cut guidelines for interactions between the trustees of the Pribilof Islands Trust and local residents. Further, the allocation of authority among the community councils, city governments and village corporations is quite unclear. It is possible that the current revival of interest in Alaska in tribal or traditional forms of government will flourish in St. Paul and St. George so that the community councils will come to occupy a commanding position in the transition to home rule.<sup>9</sup> But this is uncertain since many of the most capable leaders in the communities now occupy roles in the city governments and village corporations. Under the circumstances, it seems far more likely that the next few years will witness considerable friction among the various local institutions as they jockey for position in the effort to fill the gap left by the dismantling of the Pribilof Islands Program and make a success of home rule.

Even if the residents of St. Paul and St. George are able to devise a well-integrated system of local institutions, these institutions will face severe problems raising revenues to support their operations. The fundamental difficulty is that the local tax bases are miniscule and cannot be expected to increase much in the short run (unless St. Paul or St. George should become the site of a marine support base and terminal facility for offshore hydrocarbon development). Curiously, however, the residents of the islands will have access to considerable funds from sources other than taxes. The Pribilof Islands Trust contains \$20 million (\$12 million allocated to St. Paul and \$8 million earmarked for St. George). Section 305 of the *Fur Seal Act Amendments* authorizes appropriation of \$2 million during the fiscal year 1984 to upgrade federal properties scheduled to be transferred to the communities. The State of Alaska operates several revenue-sharing programs applicable to the Pribilofs and has pledged at least \$7 million each to St. Paul and St. George to help with the construction of boat harbours. The Pribilovians stand to receive a total of \$8.5 million under the terms of the Court of Claims decision in the case of *Aleut Community of St. Paul v. U.S.*, a case arising from claims that the federal government systematically undercompensated residents of the islands working in the seal harvest throughout much of the 20th century.<sup>10</sup> It is probable that the residents of the two communities will receive some funds in the form of reparations payments resulting from the findings of the Commission on Wartime Relocation and Internment of Civilians. Some income can be expected to reach the islands as profits from the operations of Aleut, Incorporated, the regional corporation of which the residents of St. Paul and St. George are members (Anders and Anders n.d.).

What is noteworthy about all these sources of funds, however, is that they are not likely to become bases of support for the operations of local institu-

tions in St. Paul and St. George. These institutions must rely on tax revenues, certain types of transfer payments and (in the case of the village corporations) income from business ventures. Under the circumstances, local institutions on the islands will face a more or less severe problem in allocating and managing funds, even though there is no absolute lack of resources available to the residents of St. Paul and St. George.

The preceding observations suggest that St. Paul and St. George might benefit from the creation of a larger Pribilof Islands Association to replace some or all of the parallel system of local institutions currently in place. The problems confronting these communities are remarkably similar. There is a need to avoid inefficient duplication of efforts in the transition to home rule. It might well be possible to benefit from certain economies of scale or to avoid competition by combining forces (e.g., in connection with a commercial fishery). Above all, the communities need to present a united front in responding to and coping with the actions of outside actors, such as the U.S. federal government.

Yet there are substantial obstacles to any development along these lines. Though the main islands are only 40 miles apart, movement between St. Paul and St. George is cumbersome and extremely limited. Each community has its own institutions, leaders and longstanding sense of identity as a separate social entity. To illustrate, the residents of St. George, the smaller community, have adamantly and successfully opposed concerted efforts in the past to integrate them into the larger community of St. Paul.<sup>11</sup> Accordingly, there is no basis for expecting that the two communities will move rapidly to establish an encompassing Pribilof Islands Association possessing substantial authority and power over local activities, whatever the apparent merits of such an arrangement in conjunction with the transition to home rule.

### **The Road Ahead**

This review of options available to the Pribilof Islands suggests three factors that, taken together, will determine the success of St. Paul and St. George in meeting the challenge of adjustment. The communities must take vigorous steps to break away from peripheral status, decoupling themselves from the core and emphasizing activities that will enhance their economic self-sufficiency. To achieve this goal, the communities must develop effective and well integrated local institutions. The existing fragmented system of local institutions leaves much to be desired in this connection, and it may even make sense to give serious consideration to the creation of an encompassing Pribilof Islands Association. Beyond this, the communities must negotiate for a breathing space to allow them to make the transition to home rule over

a period of years. The timetable envisioned in the *Fur Seal Act Amendments* is wholly unrealistic. What is required is a system of grants or loans sufficient to provide St. Paul and St. George with a period of at least five years to make the transition from federal management to home rule.

Assuming such a timetable can be arranged, the following economic strategy seems appropriate to guide St. Paul and St. George toward home rule. Above all, the communities should seek to diversify, relying on several small, locally controlled industries rather than a single industry featuring the export of natural resources (Dryzek and Young 1984). In this connection, both hydrocarbon development and commercial sealing are unattractive. On the other hand, a commercial fishery (probably without a processing facility) and a somewhat expanded tourist industry seem promising. Moreover, there may be opportunities to increase the scope of subsistence activities in the Pribilofs during the foreseeable future. But this analysis also suggests that there is a pressing need for St. Paul and St. George to identify and initiate new commercial or industrial ventures founded on the principles associated with the appropriate technology movement over the next five years (Schumacher 1973).

#### **Author's Note — May 1990**

The years since 1984, when this paper was prepared, have brought dramatic changes to the Pribilof Islands. The international regime for North Pacific fur seals lapsed in 1985 due to the failure of the United States to ratify the 1984 Protocol designed to extend the 1957 Convention. The effect of this has been to terminate the commercial harvest of Pribilof Islands fur seals and to bring the management of these seals under the terms of the *Marine Mammal Protection Act* of 1972. Even so, the population of seals breeding on the Pribilofs declined throughout the 1980s, amidst considerable controversy about the causal mechanisms at work in the process. Simultaneously, the continuing implementation of the *Fishery Conservation and Management Act* of 1976 coupled with the construction of boat harbours at both St. Paul and St. George has stimulated economic activities on the islands associated with commercial fishing. This development centres on small-scale, in-shore fishing, assistance to joint venture fishing involving American and Japanese fishers and on service operations; there is no indication that a fish processing industry will get underway on the Pribilofs during the foreseeable future. For its part, the prospect of hydrocarbon development in the vicinity of the Pribilofs now seems remote. This is attributable to a combination of the decline in the industry, caused by the crash of world market prices for oil in the mid-1980s and the continuing growth of environmental



opposition to oil and gas development anywhere on the outer continental shelf.

At the same time, the underlying challenge of adjustment facing St. Paul and St. George remains much as it was in 1984. These communities are still economic peripheries, highly sensitive to developments beyond their control and lacking the stability that comes with economic diversification. They have, in effect, exchanged a mono-culture based on the commercial harvest of fur seals for a mono-culture involving commercial fishing and associated activities. Nor have St. Paul and St. George been able to overcome the institutional fragmentation that besets so many of the remote communities of Alaska today. So far, the settlement of several outstanding claims (including reparations for internment during World War II) has combined with a sizeable flow of transfer payments to keep the communities afloat. But this era is coming to an end. There are no more viable claims on the horizon, and the squeeze on transfer payments has tightened as both the federal government and the state government have run large and persistent budget deficits. Though the details require some updating, therefore, the need to examine economic and political options for the Pribilof Islands seems just as great today as it did at the time this paper was prepared in 1984.

## Notes

1. An essay prepared for presentation at the meetings of the Canadian Ethnology Society, Montreal, Quebec, May 11-13, 1984. *Editors' Note:* This paper was originally submitted to *Anthropologica* some five years ago. In view of the difficulties which the journal underwent prior to its transfer to its present owners, its appearance was delayed. The current editors are pleased that Dr. Young agreed to supply an "Author's Note" describing the present situation in the Pribilofs.
2. Statements of fact regarding the Pribilofs in this paper are derived from the following sources: Johnson (1978), Alaska Geographic (1982), and Draft Environmental Impact Statement (DEIS) (1981).
3. The text of this Convention appears at 8 UST 2282; TIAS 3948. The *Interim Convention*, negotiated initially in 1957, has been renewed for fixed periods in 1964, 1969, 1976 and 1980. It is due to come up for reconsideration again toward the end of 1984.
4. Lease Sale #70 covered 479 tracts encompassing 2.7 million acres. Oil companies bid on 97 of these tracts, and the Department of the Interior has now conveyed leases for 96 of the tracts.
5. Between 1870 and 1910, the U.S. federal government negotiated two 20-year leases, first with the Alaska Commercial Company and then with the North American Commercial Company, governing the harvest of fur seals and the support of the Communities of St. Paul and St. George (Young 1981:chap. 3).
6. See, for example, the opinion of the Court of Claims in *Aleut Community of St. Paul v. U.S.*, 480 Fed. 2nd. 831 (1973).
7. Under joint venture arrangements, American fishers contract to sell some or all of their catch to foreign processors. Transfers frequently take place at sea, with the fish being processed immediately on foreign vessels equipped with flash freezers and storage facilities.

8. The State of Alaska has followed a somewhat similar course in setting up a Permanent Fund with a portion of its oil revenues (Weeden 1978:152-155).
9. For relevant background regarding tribal government consult Getches et al. (1979: chaps. 5 and 6).
10. The text of the opinion of the Court of Claims appears at 480 Fed. 2nd. 831 (1973).
11. Following the termination of commercial sealing on St. George in 1972, the federal government exerted considerable pressure on the residents of St. George to abandon their community. However, those affected resisted this pressure adamantly, preferring to remain in their community even under adverse conditions.

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