

p. 103. But, North Slope production is not expected to reach even two million barrels a day before 1978. Accordingly, it will be almost ten years before annual revenues to the Natives will begin to approach one-fourth of the \$100 million figure referred to in the Federal Field Bill.

Thus, the Federal Field Bill's compensation provisions give the Alaskan Natives \$100 million plus unknown-- and almost certainly small -- yearly payments from revenue sharing for ten years. This proposal holds out an illusory promise of substantial return. It would surely prove to be inadequate.

The Secretary of the Interior has recognized that it is undesirable for compensation to be based primarily on a speculative revenue-sharing formula. The Interior Bill contains no revenue-sharing provisions and gives the Alaskan Natives \$25 million a year for 20 years. As the Secretary has noted, this is not a \$500 million settlement; when discounted at 4-5/8% over the 20-year period, the total worth is \$322 million.

Even the discounted figure of \$322 million is misleading. According to the Bureau of Labor Statistics it costs 18 to 32 per cent more to live in urban Alaska than it does to live in Seattle. Because of this, Federal employees working in Alaska receive an extra allowance of 25% of their salaries. Costs in rural Alaska, where Native vil-