Alaska's Sovereign-Wealth Example

To learn how to manage the public's sacred resources, all Trump needs to do is look north.

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Posted to the Wall Street Journal: https://www.wsj.com/opinion/alaskas-sovereign-wealth-example-trump-plan-public-resources-40533c43?mod=opinion_feat2_commentary_pos2
Feb. 17, 2025 3:18 pm ET

The first few weeks of President Trump's second administration have been marked by bold and innovative approaches to the challenges of government. From ground-breaking executive orders to the Department of Government Efficiency's swift, necessary and revealing audits of federal agencies, Mr. Trump has once again re-established himself as the change agent the Washington swamp desperately needs.

Now he is poised to do the same with the management and growth of America's wealth, and the country will be better for it if he does.

Last week, Mr. Trump signed an executive order calling for the establishment of a sovereign-wealth fund. While that sent people in Washington and beyond scrambling to look up what he was talking about, the news was welcomed by Alaskans. We've already seen the good this policy will do. A sovereign-wealth fund is a government-owned investment fund that manages and builds public assets for the benefit of the nation.

Here's something many of our fellow Americans don't know: Alaska already has a sovereign-wealth fund. Established in 1976, the Alaska Permanent Fund is now valued at more than $80 billion. By using the state's wildly successful model, Mr. Trump can usher in a new era of prosperity and governmental innovation at the federal level.

Managed by a state-owned corporation, the APF has become a global model, and is seen as one of the most effective in the world. While the policy might seem foreign, the principles aren't; its existence and success stem from hard-working Alaskan sensibility and free-market principles.

Alaska got into the oil business relatively soon after becoming a state. Awash in newfound wealth, Alaskan policymakers back then realized that the profits created by our finite natural oil and mineral resources, though abundant, wouldn't last forever. So they decided to do what responsible people do: put some money away for future generations of Alaskans.

The way Alaska chose to do this was to develop our public lands for the benefit of our entire state. The APF generates income from management of oil-and-mining royalties, which produce dividends for Alaskans. Rather than a mere distribution of taxpayer money, these dividends come from the prudent and profitable management of public

resources. Through decades of successful and sustainable operations, Alaska has proved it is possible for government to apply free-market principles in managing public resources.

Mr. Trump should be applauded for looking at innovative ways to both expand our national wealth and fund efforts to restore America's greatness.

Sure, a great deal of America's natural resources are owned by the states. The bedrock principles of federalism pose some questions about what can, can't, will, or won't go into a plan to build a sovereign-wealth fund. But don't forget that America's federal land holdings are vast. Their resources and potential returns could generate untold wealth if we were to implement the APF model on a national scale.

The Bible's parable of the talents offers us a valuable lesson for government, just as it does for spiritual life. The good and faithful servant is the one who takes his employer's money and increases it, while the unfaithful one simply buries it in the ground. When it comes to America's abundant natural wealth, we faces a similar choice.

As citizens, the federal government is our servant, and we don't have to be content with letting our public wealth stagnate. We don't do that in Alaska. With a federal sovereign-wealth fund, President Trump and his team have the opportunity to take what we have and multiply it into something of which all Americans can be proud.

Mr. Dunleavy, a Republican, is governor of Alaska.