



JOHN HAGEN / Anchorage Daily News

Former pilot Ray Petersen, shown at Lake Hood, started five fly-out fishing camps in 1950 and some of the first fishing lodges in the state.

# A GUIDING FORCE

As pilot and lodge developer, pioneer Ray Petersen sparked Alaska's tourism industry

By PAULA DOBBYN  
Daily News reporter

The good life continues to unfold for 88-year-old Ray Petersen.

And what a charmed life it's been for the pioneer aviator and founder of some of the earliest sportfishing lodges in Alaska.

Marked by hair-raising adventure, business success, a large family, friends in high places, cohorts and admirers across the gamut, Petersen's journey is both a slice of Alaska history and a model for making dreams reality.

The Petersen family lodges, located in Katmai National Park in Southwest Alaska, are celebrating half a century in business, and some people credit Petersen with being one of the fathers of modern-day megatourism in the state.

"His efforts with lodges in the Bush are about the same, from a development standpoint, as when the oil industry discovered oil at Prudhoe Bay," said sportfishing advocate Bob Penney.

"He proved it was an industry, and it's been growing ever since."

Petersen still drives to work five days a week. He rolls into his Anchorage office around 11 a.m., sometimes earlier, and nimbly climbs a steep staircase leading to his office overlooking an airplane hangar at Lake Hood.

Leaning back in his highback office chair, Petersen adjusts his suspenders and spins tales of an Alaska pioneer.

Born in Nebraska in 1912, Petersen spent most of his youth on a Wyoming ranch before

moving to the Chicago area with his family when he turned 15. Even then, Petersen was blazing his own trail.

"I decided I was smarter than my teachers, so I dropped out of school and learned to fly," Petersen said. An airplane ride with a barnstormer would be the beginning of an enduring love affair with the skies.

After earning his wings at age 20, Petersen crossed paths with a pilot in Chicago who had ferried loggers and fishermen around conifer-covered Southeast Alaska. With commercial aviation still in its infancy, Petersen was amazed that someone could make a living as a pilot.

"I said, 'You mean people actually pay to fly around in these things?'"

Lured by the promise of a flying career in Alaska, Petersen found his way onto a Seattle-bound train that would take him closer to his dream. He hooked up with a friend who was headed for Anchorage, and the two boarded the steamship Victoria that sailed north from Seattle, stopping at every cannery along the way. They bunked down in the lower bowels of the ship.

"It was a real party," Petersen said, grinning as he remembered the weeklong journey north, playing poker and pinochle and carousing with other passengers. The advent of commercial flights between Alaska and the Lower 48 ruined a good excuse for some fun at sea, he said half-jokingly.

*"I decided if I'm going to be in the flying business, I'm going to be the boss so I can dictate when to fly and when not to."*

— Ray Peterson

## Katmai lodges owned by the Petersen family



- 1 Brooks Lodge
- 2 Grosvenor Lodge
- 3 Kullik Lodge
- 4 Nonvianuk Camp
- 5 Battle Camp

RON ENGSTROM / Anchorage Daily News



The book "Rods & Wings," written by Bo Bennett, is a history of the fishing lodge business in Bristol Bay. Bennett says that Ray Petersen's Northern Consolidated Airline was a dominant force in Alaska by 1948.

# GUIDING FORCE: Lodge developer helped spark Alaska tourism

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## THE BUSH PILOT

Petersen arrived in Anchorage on April Fool's Day in 1934, rented a one-room cabin for \$10 a month and took a job with Star Air servicing the Lucky Shot Mine near Hatcher Pass, north of Anchorage.

"We had a second gold rush back in the '30s. Everybody wanted to be a gold miner in those days," Petersen recalled. Besides ferrying gold bullion from the mine, Petersen hauled supplies to trappers and prospectors. He flew open-cockpit planes in all kinds of weather.

"You dressed for it," he said with a pragmatic shrug.

Petersen crashed into a beacon tower at Merrill Field one day in a soupy fog. He walked away unscathed but quit soon afterward because he felt his boss was pushing pilots to fly in dangerous conditions.

"I decided if I'm going to be in the flying business, I'm going to be the boss so I can dictate when to fly and when not to," he said.

His next job took him to Bethel. He briefly worked for Marsh Airways before launching his own Bethel-based company, Ray Petersen Flying Service, in 1937. Petersen hauled packed fish out of canneries and serviced a platinum mine at Goodnews Bay that was booming at the time.

His trips took him from Bethel to Anchorage and all over the Yukon and Kuskokwim deltas. Petersen spent enough time in Anchorage to woo and marry Toni Schodde, "a local girl" who would become the mother of his four children.

Petersen and his young family moved back to Anchorage just before World War II broke out. In 1940, Anchorage had about 4,000 residents. With the Japanese bombing of Pearl Harbor and invasion of the Aleutian Islands, the U.S. government was in a rush to build military bases, airports and roads in Alaska. Pilots were in demand, and Petersen got work flying military supplies and personnel.

During his years as a bush pilot, Petersen flew without a radio or navigational instruments and relied on maps with huge blank spots marked "unexplored." At one point he thought his luck might finally have run out when he was flying three patients to a hospital at Mountain Village.

"Something told me I should follow the river. Sure enough, the engine quit," said Petersen, who managed to set the plane down on the frozen river. "Luckily there was a dog team that took the patients to the hospital."

A few crashes and near misses later, Petersen followed his nose for business into another career that combined his love for airplanes, fishing and running a company.

"He had ideas, and he made



Judge Russell Sprague, Ray Petersen, Congressman Len Hall and Bill Rudeman are shown with a nice catch of fish near Aniak during the summer of 1948.

them work. He could always see down the road," said former Gov. Wally Hickel, who has known Petersen for some 50 years.

## BIRTH OF AN INDUSTRY

Besides cannery owners, Petersen's clients included congressmen and military officers who came to Alaska on fact-finding tours. The trips were a good excuse to get some fishing in on the side, Petersen said.

"Outside congressmen and senators were always wanting to 'inspect' things. Often they were in top-notch fishing areas," Petersen said.

Petersen would pile his high-profile clients into his Stinson A Trimotor and fly them to salmon and trout-rich rivers and lakes draining into Bristol Bay.

An avid angler himself, Petersen knew these were some of the prime fishing spots in the state, and it was obvious that what the area offered in natural bounty it lacked in basic amenities.

Petersen envisioned building fishing camps along the best rivers to house guests and add passengers to his flying service. Petersen merged his company with several others in 1947 to form Northern Consolidated Airlines, of which Petersen was president and a major stockholder.

"He galvanized eight different Bush outfits together during the war. This guy is the last of the Mohicans. I like to call him the king of the bush pilots," said Ted Spencer, historian for the Alaska Historical Aviation Institute.

Northern Consolidated acquired surplus DC-3s and offered service both in-state and to the Lower 48. Petersen later discontinued service outside the territory when larger carriers like Pan Am and Northwest began offering scheduled flights.

During one of his trips to Washington to meet with the Civil Aeronautics Board, Petersen stopped by the National Park Service with a proposal to construct lodges within what was then Katmai National

Monument, southwest of Anchorage.

"Ray approached the secretary of the interior and said, 'Hey, this has got to be recognized as a national treasure. It has to be controlled so it doesn't get overrun and ruined. If you give me a permit to operate in the park, I'll keep things under control,'" said Dick Reeve, president of Reeve Aleutian Airways, who grew up next door to the Petersen family in Anchorage.

"Katmai was a poacher's paradise. It was unregulated up to that time," Petersen said.

The Park Service was happy to work with Petersen because at the time, Katmai was a national monument in name only, said Park Service historian Frank Norris. There was virtually no agency presence on the ground, and local trappers and military personnel from an air base in nearby King Salmon were putting pressure on Katmai's fish and furbearers, Norris said.

Having a concessionaire in Katmai would help solve some of the illegal hunting and fishing problems and justify paying for a ranger.

"It legitimized the national monument," Norris said.

Petersen, on behalf of Northern Consolidated Airlines, signed a concession with the Park Service on March 10, 1950, and quickly started building lodges. He hired a friend in public relations to publicize the lodges nationally and attract clients. He christened the business Angler's Paradise Lodges and named the camps Brooks Lodge, Kulik Lodge, Grosvenor Lodge, Battle Camp and Nonvianuk Camp.

At Kulik, Petersen put in a sawmill so he'd have a continuous supply of building material, but the mill would eventually succumb to changing political winds.

The 1968 oil strike at Prudhoe Bay and the push to settle Native land claims jolted Alaska's political landscape. A scramble ensued to divvy up the state, and the federal government was eager to seal its

reach. By the late 1970s, environmentalists hounded President Jimmy Carter to carve out and expand national parks, monuments, wildlife refuges and wilderness areas. The resulting Alaska National Interest Lands Conservation Act of 1980 put a sweeping 104 million acres into conservation.

Not everyone celebrated. "They made (Katmai) a national park in 1980, so we couldn't log anymore. We had to fly the doggone logs in from Palmer," Petersen grumbled.

His relationship with the Park Service was generally good over the decades but not without its rough moments, Norris recalls in his book "Tourism in Katmai Country." In 1969 Petersen wanted to exchange his contract for a long-term one, but Park Service general superintendent Ernest Borgman offered only two years.

"Petersen, in response, let out a lengthy fusillade of profanity, telling Borgman in no uncertain terms that he had no intention of signing the document," Norris wrote.

A five-year contract resulted as a compromise. By now the lodges have been grandfathered in, Petersen said.

The lodges were initially little more than canvas tents with bunk beds, but over the years they became much more luxurious. Log buildings replaced the tents, and they were equipped with hot and cold running water, electricity and comfortable amenities, including bars, restaurants, a hot tub and sauna.

Investing in sportfishing lodges, an untested business in postwar Alaska, posed a huge financial risk for Petersen and his company. He says now that only a young and foolish person would have stepped into it.

"It was a terrific burden and responsibility. But we committed ourselves."

There were rocky times, especially in the beginning, when the initial expenses for tents and equipment started pouring in.

"I got a bill for \$60,000," Pe-



Petersen is shown with his Cessna T-50 Bamboo Bomber in the Bristol Bay area.

tersen recalled. Flabbergasted, he paid, but not without sleepless nights. "We really sweated blood over that one."

## A RECIPE FOR SUCCESS

During the 1950s, Angler's Paradise Lodges enjoyed virtually no competition and the business gained increasing popularity through favorable reviews in publications like National Geographic, the New York Times, the Seattle Times, the Christian Science Monitor, and Field and Stream. Reporters were amazed by the beauty and bounty of the place.

The lodges' success inevitably caught the eye of others, and before long, new sportfishing lodges began cropping up in the Bristol Bay region and elsewhere.

Angling today is big business in Alaska, with more than 250 sportfishing lodges statewide, according to an award given to Petersen by the Alaska Legislature. The sportfishing industry draws more than 400,000 people each year, some 60 percent of them nonresidents, according to Allen Howe with the state Department of Fish and Game. The amount of money spent on sportfishing in Alaska topped half a billion dollars in 1993, according to a study by the Anchorage-based Institute of Social and Economic Research.

"He is still pioneering," said Sen. Ted Stevens, R-Alaska, a pilot who describes Petersen as one of his aviation mentors.

Petersen retired from the airline business in 1976. His youngest child, Sonny, took over management of the lodges in 1982, forming a new company with his father called Katmailand Inc.

Three generations of Petersens are involved in the company today. Sonny runs the lodges, Ray is vice president and treasurer, and Sean, Sonny's son, is a pilot.

Sonny, now in his late 40s, has spent practically every summer at the Katmai lodges — first as a kid frolicking with

wolves and bears, later as a fishing guide, bush pilot and owner of Katmai Air, and ultimately as lodge owner.

So what was Ray Petersen like as a father?

"Aside from yelling at me a lot?" laughed the younger Petersen, speaking on a satellite phone from one of the lodges. "He's been a great influence on me as far as business. He's a really wise businessman. And I was lucky. I was able to grow up in this kind of country."

Ray Petersen is optimistic about the future of Alaska tourism. He thinks there are plenty of untapped opportunities, especially in winter tourism.

As far as flying airplanes, Petersen is happy to leave that to his son and grandson.

"I've had all the excitement I need," he said with a smile.

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