

● ASRC elects

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development. They claimed also that not enough of the proceeds of corporation activities are filtering down to the villages.

However, as outlined in Hopson's opening remarks, last year's corporate activities have resulted in major profits to the corporation and its shareholders.

Earnings per share last year increased to \$5.10 a share, up from the \$3.66 per share paid the year before. Corporate profits were \$1.9 million last year and are projected to reach as high as \$10 million dollars during the current fiscal year, Hopson reported.

Hopson said a recent contract with Shell Oil Company for a lease of up to 1.3 million acres should bring \$13 million to corporation coffers in the coming year and he pointed out that SKW Eskimos, Inc., one of the corporate subsidiaries which built the new corporate headquarters was praised by a construction magazine as having built the best building in Alaska in 1978. The same subsidiary is building the

new Nuiquist school.

Another subsidiary, Arctic Slope Regional Construction, Inc., is employing more and more local residents in its activities in the Naval Petroleum Reserve, and yet another subsidiary, Eskimos Oil Field Services, Inc., has 44 employees at Prudhoe Bay, Hopson said. He pointed out also that the corporation last year finally won a lengthy legal battle with the Internal Revenue Service which saved the corporation \$20 million.



ASRC Treasurer Oliver Leavitt addresses crowd.

Oil suit filed

Several oil companies filed suit in Anchorage Superior Court last week, challenging that the oil and gas corporate income tax law, passed last year by the State Legislature, was unconstitutional. The suit was pressed by Atlantic Richfield, Arco Pipeline, Sohio Natural Resources Company and Sohio Pipeline Company. The companies state they have been singled out for discriminatory taxation.

● AFN wants federal control

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game resources on all lands in Alaska. Although the AFN supports state management of fish and game, it is its feeling now that federal oversight is necessary to ensure the resources are managed in a way which benefits those users directly affected.

"It is regrettable that the Legislature would not enact legislation which would allow this issue to be dealt with on the state level. This leaves us the only option of requesting legislation to deal with this critical issue at the federal level," said Thompson.

In the early weeks of this year's legislative session, Representative Terry Gardiner D-Ketchikan, introduced a bill to decentralize the Department of Fish and Game. AFN, along

with other Native and non-Native organizations, supported this bill. Gardiner's bill provided for regulatory powers to be invested in seven regional fish and game boards. Regulations drafted by the regional boards would then be subject to amendment or veto by a statewide master board.

According to the AFN, Halford's bill established regional councils which have no real authority. "They would simply assist the more than 50 local fish and game advisory committees that already are established," Thompson pointed out.

Thompson said that, essentially, Halford's bill leaves the current situation unchanged, with fish and game management left at the status quo. "Nowhere in the Halford bill is it required

that the statewide board must take into serious consideration the recommendations of the regional councils," said Thompson.

"In order for the whole concept of regionalization to work and be successful, the local advisory committees and regional councils must have a greater say in the management of resources within their areas," Thompson said. Under Gardiner's bill, presidents of the regional councils would be members of the master board.

Thompson said the AFN would rather have no bill than the Halford bill because it does not improve a system that "is the root of dissatisfaction between local users and the Department of Fish and Game."

● Supreme court nixes

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us NOW not 20 years from now," it continued.

The Supreme Court said that evidence presented at the trial indicated that in 1977 Cook Inlet owned surface rights to only 56 acres of land, and mineral rights to about 7000 acres, less than 1 per cent of what it would eventually receive under the Alaska Native Claims Settlement (ANCSA). The opinion quoted findings of the trial court that liquidating all of Cook Inlet's present assets would produce no more than \$6 million, and that the corporation does not "have any present ability to distribute big chunks of land,

or thousands of dollars, to each of its shareholders."

Although Native regional corporations established under ANCSA are not subject to the federal Securities and Exchange Acts, the Supreme Court said that federal law was a useful guide in determining the principles of law to be applied, since it is similar to the state law which governs corporations not subject to the federal laws.

"A misrepresentation is material if there is a substantial likelihood that a reasonable shareholder would consider it important in deciding how to vote," the court said. It is not necessary to prove that one or more shareholders actually were influenced by false or misleading statements.

"There are very few people who, as owners of a small percentage of a large corporation, would not consent to a change in corporate management if doing so

would result in immediate personal wealth," Matthews wrote.

The Supreme Court concluded that Ward's statements were indeed false and misleading, since Cook Inlet had no present ability to distribute anything approaching \$300,000 to each shareholder. It rejected Buckalew's conclusion that Ward had "merely a philosophical difference" with the present management of the corporation.

The court sent the case back to Buckalew to determine what relief should be afforded the corporation and the plaintiffs, who would have won election to the corporation's board of directors in 1977 had Ward's proxies not been counted.

Justice Roger G. Connor dissented. He said that Ward was guilty of only "puffing or argumentative exaggeration," not material representation.

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