

# 1991 can be beneficial or disastrous

By Charles H. Johnson

President, Bering Straits Corp.

I have been participating with leaders from other regions in discussions on planning for 1991 and what that date means to us as Native people and as village and regional corporations.

In 1991 the Native corporations must cancel the existing stock and issue new stock to their shareholders. This new stock may be purchased by anyone, Native or non-Native. The lands and other assets of the Native corporations will also become taxable at that time.

One thing is clear, nowhere else in the world can control of so much land and resources be bought as cheaply if a few Natives sell their shares. As you can see, the possibility of losing our land is very real in 1991. The buyers won't have to buy the land, it will be much cheaper and easier to buy stock from shareholders that need or want money.

There are solutions to our problem, steps that we must

take soon if we are to protect our land and keep it in Native hands. Section 1401 of the D-2 bill amends the Alaska Native Claims Settlement Act to read that the Native corporations may deny non-Natives the right to vote and may grant to the corporation and the shareholder's immediate family, on reasonable terms, the first right to purchase the shareholder's stock, provided that before December 18, 1991, the corporation, by a majority vote of the shareholders, amends its articles of incorporation to reflect these changes.

This amendment in the D-2 bill is an attempt to ensure that the Native corporations will remain in Native hands. One village corporation, Council, has already made the needed amendments to its articles of incorporation.

But what about those corporations that won't have the money to buy their shareholders shares when they come up for sale? An example is one village which started a dangerous prac-

tice that probably poses the greatest threat to the continued existence of village corporations and the Region.

That practice was to begin liquidating the village corporation by passing out cash to the shareholders, thus reducing the value of the corporation while also reducing available cash for stock purchases as they become available after 1991.

The problem with this practice is that the cash soon runs out and the shareholders may begin to look at the village corporations as a pool to suck dry for their immediate needs. Soon there will be little left to protect the land, let alone to create an economy to provide jobs in the villages.

We have just begun our village viability program, the thrust of which is to provide an economy through planning for the villages. It will consist of three parts: First, fiscal management, accounting and bookkeeping; second, land management; and third, long-range planning.

These programs will work

only if the village corporations participate, (all of them have indicated that they will). Also, they all must have most of their capital intact if they are going to control the economy of their villages. We are looking for ways to take advantage of impending oil and mineral development within our region. This will be a perfect economic opportunity for the village corporations if it is done properly.

One thing is certain, those village corporations that have dissipated their capital through cash distributions will not be well situated either to participate in development or to protect their land from being taken over.

The question remains how to satisfy the needs of our people who have been on our land the longest, our elders. Sitnasuak has started to address this question by starting a program to work with the elders in Nome. All villages would do well to follow that lead. It is incumbent upon each

village corporation to come up with such ideas or programs to meet the needs of its shareholders without jeopardizing the corporation and the land.

Our land was literally won for us by generations of our ancestors who lived under conditions that few of us could tolerate. It would be tragic if one shortsighted generation should lose it for eternity.

I have worked with Indian tribes in the "lower 48" who opted to sell their land. Each of these tribes was working to get their land back at any cost. In every case it was clear that the poorest reservation tribe was better off than those who had sold out... no matter how much money they got.

We all know how fast money can go. The prime mission of our corporation is to be the economic vehicle of our people to obtain self-determination. In order to do so we must retain our land and keep all of our village corporations and the region healthy and prosperous.