

SEALASKA DOUBTS 13TH REGION

Southeast Group Invites Tlingits and Haidas to Enroll in SEALASKA

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Whether or not a 13 Native Regional Corporation should be organized under the Alaska Native Claims Settlement Act continues to be a highly controversial topic. Information, opinions and arguments have been presented by people on both sides of the topic.

One group presenting their viewpoint is the SEALASKA Corporation, one of the 12 Alaska Regional corporations already in existence. Their stand is that Natives would have nothing to gain and much to lose by organizing and enrolling in a 13 regional corporation.

Under the Settlement Act, the board of directors say, Alaskan Natives will receive 40 million acres of land. Sub-surface estate titles to the land will be held by the 12 existing corporations in trust for one

another and for the corporation stockholders.

SEALASKA, serving the Southeast region of the State, would receive approximately 12½ per cent of revenues derived from the other 11 regions and about 42½ per cent of revenues coming from sub-surface estate of all Native-owned land in the Southeast region.

The 12½ per cent results from Section 7(1) of the Act, which states, "Seventy per centum of all revenues received by each Regional Corporation from the timber resources and subsurface estate patented to it, pursuant to this Act, shall be divided annually by the Regional Corporation among all twelve Regional Corporations organized pursuant to this section according to the number of Natives enrolled in each region pursuant to section 5."

Multiplying the estimated 18 per cent of the Natives enrolled by the Southeast area by the 70 per cent specified in the Act produces 12½ per cent. The

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remaining 30 per cent would come from revenues derived only from the Southeast region.

Provisions of the subsection quoted, it adds, would not apply to a 13th region, if one should be formed.

SEALASKA directors state that money coming solely from the Alaska Native Fund will total roughly \$173 million without considering returns from mineral rights.

During the next 13 to 15 years, they say, the corporation must distribute more than \$86 million in dividends to stockholders not enrolled in villages and to Southeast village corporations. A similar sum will be retained by them for investments.

The controversy arises over the advantages and disadvantages of forming a 13th corporation. Besides the fact that Natives so enrolled would not be eligible to receive SEALASKA sub-

face estate revenues, they would also exchange shares in a heavily capitalized, and therefore potentially more profitable, corporation for shares in a smaller one.

The benefits, SEALASKA indicates, would necessarily be smaller.

Advantages set forth by supporters of the 13th corporation included (1) elimination of the risk the other 12 corporations might discriminate against "non-resident" stockholders by issuing stock shares carrying less rights, (2) residence nearer corporation headquarters, with greater control and participation rights and (3) increased likelihood that 13 corporation programs would better serve "non-resident" Natives than would programs undertaken by an Alaska regional corporation.

All of these advantages are not what they should be, say the SEALASKA people. To begin with, it is illegal for any stockholders to be issued inferior stock shares. Also, they point out, corporations more often than not are spread over a wide area with no harm to stockholders involved.

And, like most other corporations, the Alaska Native regional corporations are managed by the board of directors. Stockholder participation would involve proxy voting simply because of the corporations size.

Therefore, "non-resident" Natives, whose needs would probably be much the same as those living within Alaska, would have the same rights and privileges.

With these pro and con arguments, the SEALASKA corporation presents its case for not forming an additional regional corporation for Natives. Applications for enrollment may be amended by the applicant before March 30, 1973, states John Borbridge Jr., president and chairman of the board of SEALASKA Corporation.

So any Natives wishing to change their vote one way or another may do so before this date. He concluded by urging eligible Natives to re-enroll in the Southeast Alaska region before the March deadline.