

HUGE NATIVE CORPORATION SEEN AS ANSWER TO CLAIMS

Bulk of the Monetary Settlement May Come From Navy Pet. Res. 4

Last month on February 26-28, the governor's land task force met in Juneau to consider a new land bill.

Headed by its chairman, Joseph Fitzgerald, the Federal Field Committee for Development Planning in Alaska explained its huge report, Alaska Natives and the Land, to the task force.

What came out of this meeting was the proposal by the Federal Field Committee for the land claims solution in Alaska and it came out in the form of a huge corporation that would be known as the Alaska Native Development Corporation.

The proposal also brought out a plan for monetary settlement the bulk of which would come from the Arctic North Slope area. The initial money payment would come from the U.S. Treasury in the amount of \$1 million for land uses lost in the past.

The rest, which would amount to about \$1 billion, would come from revenues from Petroleum reserve No. 4 in the Arctic Slope area.

Rep. Barry Jackson of Fairbanks told the special meeting of the board of directors of the Fairbanks Native Association last Saturday that the Federal Field Committee's idea was that the land claims solution should be a political settlement.

"The structure of the settlement would be a single statewide corporation—a regular business corporation," said Jackson. "It would be so large—so immense—that it would be one of the ten largest corporations in the world."

Frederick Paul, attorney for the Arctic Slope Native Association, in his report to ASNA said, "You will notice the yield of the land from which the entire statewide settlement will be paid come principally from the land of the Arctic Slope Native Association..."

The Federal Field Committee proposal also made a strong indication that the Petroleum Reserve No. 4 would be opened for competitive bidding.

Fred Paul explained it in the following manner:

"... The second money payment would be, roughly speaking, ten percent of the monies payable to the State under the present existing formulas and 45 per cent of the revenues out of Pet 4.

"The theory is that as to the portion the State would thereby

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Huge Native Corporation...

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lose, the revenue would come from competitive bidding for oil leases rather than noncompetitive bidding and because of the competition among the oil companies, the State, in fact, would be getting more money.

"Thus under existing practice, the new areas to be opened up would be sold by the Federal Government on a noncompetitive basis which is, roughly speaking, about a dollar an acre; with changing the status of the oil lands to be developed from noncompetitive to competitive, then the Federal Government would receive the bonus payments out of which the Alaska Native Development Corporation would receive not to exceed \$100 million per year for ten years.

"The theory is that the State should not object because with the change of bidding practice, the State, in fact, would be getting more money."

Fred Paul said that while the committee had made no estimate of the total yield on this form of payment, particularly from the 45 per cent to be yielded from Pet 4, the committee was hopeful that substantial monies would be raised.

"The committee mentioned," Paul reported, "that at the Santa Barbara competitive bidding two years ago that the oil companies bid a total of \$653 million. I may say that this is an area that we may have to recommend a change in the Field Committee's program."

Paul said that homesites for the native people, as well as hunting cabins, etc., would be protected by giving the respective natives a fee simple title, reserving, however, to the statewide corporation the mineral rights therein.

An area not to exceed 23,040 acres would be given to each village but on an "open" village status, reserving again the mineral rights of the statewide corporation.

"Thus the respective villages would, of course, automatically

benefit by reason of his being a member of the community," Paul continued. "This will cause some soul searching because in some communities the White people will move in and in a sense join a tax-free town."

Each native, Paul said, would be enrolled in the Alaska Native Development Corporation and would receive an equal number of shares of stock in the corporation.

"These shares," Fred Paul said, "would be inalienable (non-transferable except by death) for a period of ten years. Therefore the restrictions on selling would be removed."

"The Alaska Native Development Corporation," Paul continued, "would be a statewide corporation which at first would be administered by a board of directors a majority of whom would be appointed by the President and would be non-native."

As the years progressed, the membership would change so that at the end of ten years the entire board would be native.

"The philosophy of the Field Committee is that modernly to compete in society one must do so through a corporation and the larger the corporation, the better it is."

The Alaska Native Development Corporation would have authority to make grants to villages and regional groups at the discretion of its board of directors.

"This is also an area that may need overhauling because heretofore, our thinking has been that we would have regional corporations," said Paul.

He said that there would be no protection for surface rights other than as described above; that it was the feeling of the Field Committee, however, that the people would not be helpless; that first of all they are voters and can speak through the normal machinery of politics, through their state representatives and state senators.

Secondly, Paul said, the Alaska Native Development Corporation would have a great deal of power because conceivably, it would have assets of half a billion to \$1 billion and the Federal Field Committee felt that this would give the people, its owners, power to influence by persuasion the state legislature to give protection to hunting rights.

"Finally, the Field Committee believes," Fred Paul stated, that the people can get protection by organizing boroughs and the boroughs having the power of zoning and planning could prevent economic development in certain hunting areas.

"In this connection, I plan to suggest immediately that the

North Slope together with the Kotzebue Election District, and possibly Nome, form one borough to give such protection in case the Federal Field Committee plan is approved by Congress."

"A virtue of the foregoing plan," stated Paul, "is that the settlement does not depend upon an appropriation of the Congress of money, except for the \$100 million dollars for past expropriation. In other words, the bulk of the money comes from the yield of the land to be conveyed by the natives."

The Field Committee said that the second virtue of the plan is that there would be the Bureau of Indian Affairs to administer the fund.

At the end of five years the board of directors would be dominated by natives and by the end of ten years, all government restrictions would be removed and the Alaska Native Development Corporation would be just like any ordinary business Corporation.

"Another virtue of the plan," continued Fred Paul, "which would meet with congressional approval is that there are no reservations. It was the feeling of the Federal Field Committee, and it is mine too, that the Congress will not approve of the creation of 178 (the number of villages involved) reservations in the State of Alaska."

"The Congress is simply sick and tired of reservations in the States. In the Lower 48, the reservation system has failed and the people thereon have essentially degenerated."

Paul said that a percentage from the revenue from the outer continental shelf would also enhance the yearly payments which all together cannot exceed \$100 million per year for ten years.

POINTS OF CONCERN

"Though, necessarily, I must obey the dictates of my clients, I will say that I am inclined to agree with the general philosophy of the Federal Field Committee report as modified in certain respects:

"A. I am worried about the annual payment of a sum not to exceed \$100 million. Some years the maximum will be achieved and other years not, but if there was some way to carry over a surplusage from one year to the next in order to meet a potential deficiency, perhaps that would cure it."

"Theoretically, the report provides, a review will be made by Congress at the end of ten years and if the sums theretofore paid be insufficient, Congress could extend the life of the payments. I am against this because once Congress has acted, it won't do so again."

"I prefer that the life of the payments to the Alaska Native Development Corporation be continued after ten years automatically until the maximum amount of \$1 billion is achieved."

"B. The open village concept bothers me, but it does come in conflict with the reluctance of Congress to create additional reservations."

"C. I realize that people have emotional impact with their attachment to their land. Perhaps the zoning will give adequate protection, but this is an area in which the people will have to express their opinion."

"D. The open village concept bothers me because of the benefits of the newcomers to respective villages will receive by way of ownership of the villages in the land surrounding the village."