



UNIT 7

ANCSA Provisions (b)

The Road from ANCSA

Unit 7: ANCSA Provisions (b)

Section 7 of the Alaska Native Claims Settlement Act created the regional Native corporations (Congress, Alaska Native Claims Settlement Act Resource Center, 1971). It was these, along with the village corporations, that received the land and money of the settlement (Laster, 1986).

Sealaska Corporation lands extend along forests and coastlines of the Alaskan panhandle from Yakutat in the north to Prince of Wales Island in the south. These lands include 290,000 acres of surface land and 560,000 acres of subsurface land, making Sealaska Corporation the largest private land owner in the southeast Alaska region. The Sealaska Corporation is owned by more than 20,000 tribal member shareholders. Sealaska also employs more than 1,000 individuals in all types of jobs, of which 52% are shareholders and their descendants (Sealaska, 2012).

But two other parts of Section 7 make all Native corporations different from other corporations. These are Sections 7 (h) and 7 (i). In regular corporations stocks can be bought and sold by anyone; that is what Wall Street is all about. But Section 7 (h) restricted the stock in Native corporations. It says that stock cannot be sold or traded until 1991. The only way stock can be transferred until that time is through divorce, child support, or inheritance (Congress, Alaska Native Claims Settlement Act Resource Center, 1971). Why did Congress write this into the act? They did it to protect Native

corporations.

Congress also saw corporations as a way to assimilate or to change Alaska Natives.

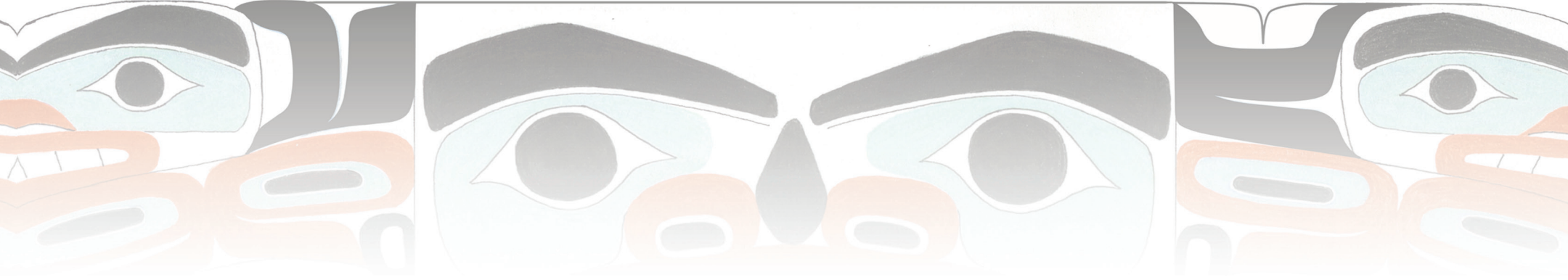
They would see themselves as individuals who owned shares in the corporations.

Congress was afraid that if stock was not restricted, non-Natives could take over the new corporations (Laster, 1986). This gave the corporations 20 years to become strong enough to resist a take-over or being purchased by another corporation. After 20 years, individual shareholders could also sell their stock. Restricting the sale of stock does help the corporation from being taken over, but it also creates an interesting problem for the shareholders. If you own stock in a regular corporation, and you don't like the way it is being run, you can sell your stock and get out. But with ANCSA corporations stock holders can't do that. If they don't like what their board of directors is doing they can't sell their stock.

The next section, Section 7 (i), also makes ANCSA corporations different from all others. It is a formula for sharing money that



PHOTO BY BRIAN WALLACE.



corporations make from mineral or timber operations (Congress, Alaska Native Claims Settlement Act Resource Center, 1971). For instance, the Arctic Slope Regional Corporation has land that is rich with oil and natural gas. Under Section 7 (i) they have to share a portion of their profits made off oil and gas with the other 11 regional corporations (Congress, Alaska Native Claims Settlement Act Resource Center, 1971). The idea behind this is to balance the mineral and timber wealth of some corporations with the lack of resources in other regions. So, whenever one of the twelve regional corporations makes a profit off its minerals or timber, it gets to keep 30% of it.

The other 70% goes into a fund that is divided between the other 12 corporations. The village corporations also receive a portion from the regional corporations. Native people who are not enrolled into village corporations also receive a portion of the 7(i) funds. The thirteenth corporation, set up for Natives living outside the state, doesn't get a share of the 7 (i) money (Laster, 1986).

This profit sharing is an unusual situation. If IBM makes a lot of money off a new type of computer, it doesn't have to share it with Apple or any of the other computer companies.

Native corporations on the other hand, are tied together by sharing the profits off their natural resources (Laster, 1986).

There is one other way that ANCSA Native corporations are different from others. This is outlined in Section 21 (d) of the act. It says that corporations don't have to pay taxes on their land for 20 years after passage of the act (Congress, Alaska Native Claims Settlement Act Resource Center, 1971). This was done for the same reasons that Section 7 (h) was put into the act, to protect the new corporations. If the corporations had to pay taxes on all of their land, they could have been bankrupt by now. This section was later amended so that taxes did not have to be paid until 20 years after the land was conveyed to the corporations (Laster, 1986).

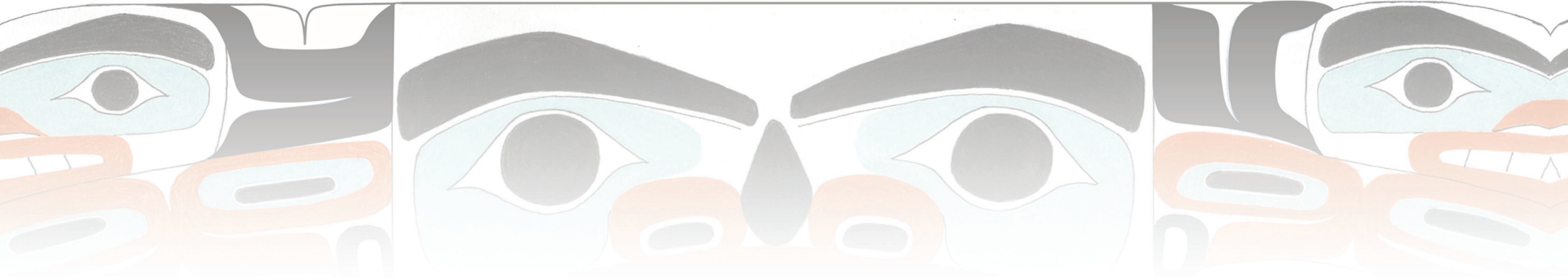
Corporations have not received title to all of their lands, so their land is protected from taxation for 20 years after it is actually transferred. Right now the state and federal governments do not tax undeveloped land, but that could change in the future (Laster, 1986). As oil revenues decrease, the state may look into raising money by taxing land. So, unless this 20-year limitation is somehow extended, it could spell economic disaster for some of the corporations.

But even with the special protections that were written into the act, Native corporations have not been an overwhelming success. Most village corporations were just too small, and didn't have enough money from the beginning (Laster, 1986).



Sealaska Tree Ceremony, 2010. SEALASKA.

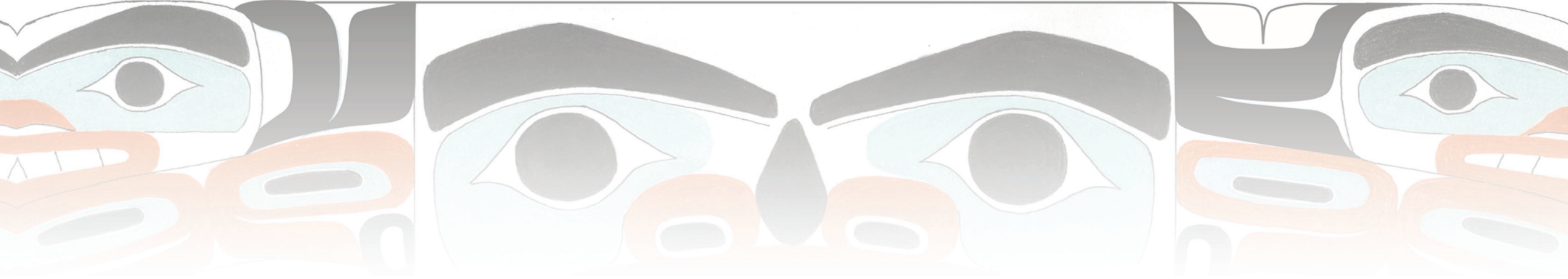
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“The claims act, took the Alaskan Natives — before there was any economic opportunity in most villages — and compelled them to form themselves as a corporation. But the real problem is that in most of those villages there is no business. There is nothing to do economically to sustain a corporation. Moreover, the corporations, particularly the small corporations — because the money they received was based on the number of shareholders — didn’t receive enough money to be adequately capitalized, to get them started and get them over the rough spots. All of this is just the opposite of what you would do to start up a corporation, and it dooms those corporations to economic failure,” explains attorney David Case (Laster, 1986).

Native corporations also suffered from the lack of experienced business managers (Laster, 1986). Where is a village that lives primarily from hunting and fishing supposed to come up with business managers and accountants to run a new corporation?

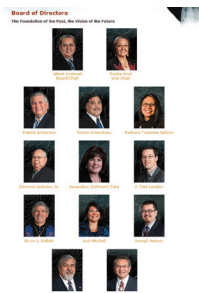
What does the future look like for these Native corporations? How many will survive? What will happen to the land and money of the corporations that go under? We will take a look at this and what effect the corporations have had on the state of Alaska in the next unit.



The Road from ANCSA: Background and Place-Based Activities

SUGGESTIONS TO TEACHER AS TO HOW TO INTRODUCE EACH VOCABULARY WORD: Give each student a list of all the vocabulary words for the unit. Teacher could also bring items to class that represent each term. For each term, show students the picture, then ask which of the words in front of them best correlates to the picture.

BOARD OF DIRECTORS



Explain that the “board of directors” is a group of people chosen to govern the affairs of a corporation or large institution. Ask students to give examples of “board of directors” to check for understanding.

EMPLOYEES



Explain that “employs” means to engage the services of or to put to work for pay. Ask students to give examples of “employs” to check for understanding.

INHERITANCE

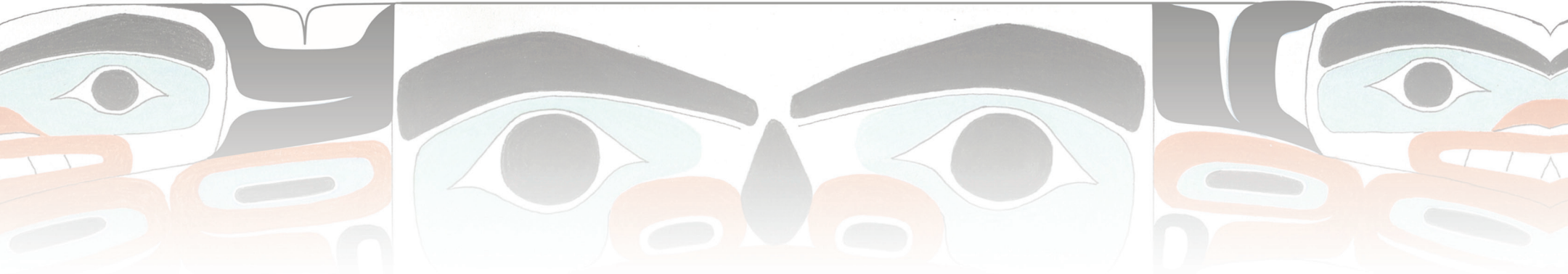


Explain that “inheritance” is the right of an heir to gain ownership of property (or other possessions) on the death of an ancestor. Ask students to give examples of “inheritance” to check for understanding.

TRIBAL MEMBER SHAREHOLDERS



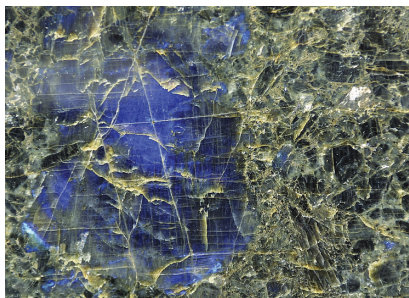
Explain that “tribal member shareholders” are shareholders of Native owned corporations. For example: Sealaska Corporation is a Native organization owned by more than 20,000 “tribal member shareholders.” Ask students to give examples of “tribal member shareholders” to check for understanding.



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MINERAL



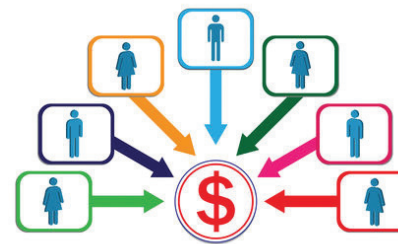
Explain that a “mineral” is a naturally occurring, solid, inorganic element of a compound. A “mineral” can also be a substance of commercial value, such as iron ore, coal, or petroleum, that is obtained by mining or drilling. Ask students to give examples of “mineral” to check for understanding.

TIMBER



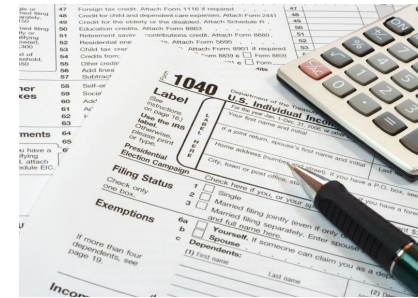
Explain that “timber” is wood (trees) used as a building material; lumber. Ask students to give examples of “timber” to check for understanding.

PROFIT SHARING

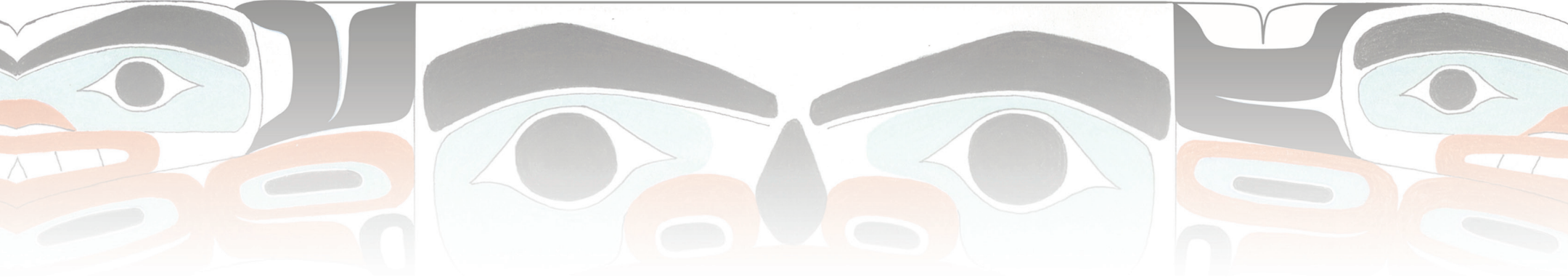


Explain that “profit sharing” is the sharing of corporate profits with employees or other corporations. In the case of ANCSA corporations, “profit sharing” refers to the sharing of 70% of the profits from each of the 12 regional corporations. Ask students to give examples of “profit sharing” to check for understanding.

TAXES



Explain that “taxes” are the mandatory payments made by individuals and/or businesses which are issued by the state or federal government. Ask students to give examples of “taxes” to check for understanding.



The Road from ANCSA: Background and Place-Based Activities

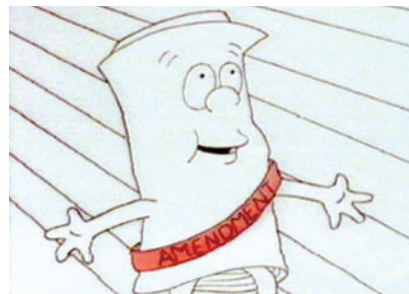
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BANKRUPT



Explain that “bankrupt” means the inability to pay one’s debts and is the court-imposed legal status of an individual or business. Ask students to give examples of “bankrupt” to check for understanding.

AMENDED



Explain that “amended” means to change for the better, to improve, or to remove the faults or errors in. Ask students to give examples of “amended” to check for understanding.

ACCOUNTANTS



Explain that “accountants” are people who keep, audit, and inspect the financial records or business concerns of corporations and organizations and prepares financial and tax reports. Ask students to give examples of “accountants” to check for understanding.

Language and Skills Development

LISTENING

Flashlight Find

Mount the math vocabulary pictures on the walls, board and windows. Have a student stand in the center of the classroom with a flashlight. Say one of the vocabulary words and the student must find the picture for the vocabulary word you said using the light of the flashlight. This activity may also be conducted in teams. In this case, have two flashlights available. Have a player from each team stand in the center of the classroom. When you say the vocabulary word, each player must attempt to find the correct picture with the light of his/her flashlight. The first player to correctly identify the picture for the vocabulary word you said wins the round. Repeat until all players have played.

Half Match

Collect the picture halves from the previous activity. Mix all of the halves together and give them to the students. Say a sentence, leaving out the key word. The two students who have the illustration halves for the word that completes the sentence should show their halves. Continue in this way until all of the illustration halves have been presented.

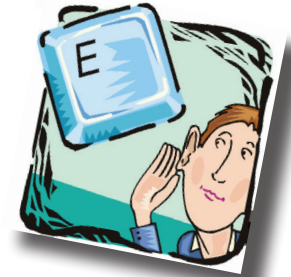


Illustration Hold Up

Before the activity begins, prepare a page which contains small versions of the vocabulary illustrations. Provide each student with a copy of the page. The students should cut out the illustrations. Say a vocabulary word. Each student should then hold up the illustration for the vocabulary word that you said. Repeat this process until all of the illustrations/vocabulary words have been used in this way.

Join Those Halves

Make an extra set of vocabulary pictures. Cut each of the vocabulary illustrations in half. Spread the illustration halves on the floor in a scattered form. Group the students into two teams. Give the first two players in each team a long length of string or yarn. Say a vocabulary word. When you say "Go," the first two players in each team must rush to the illustration halves. The object of the activity is for the players to use the string/yarn to join together the two halves which make up the illustration for the word you said. The first pair of players to do this successfully wins the round. Repeat until all players have participated.

Language and Skills Development

SPEAKING

Right or Wrong?

Mount the vocabulary pictures on the board. Point to one of the pictures and say its vocabulary word. The students should repeat the vocabulary word for that picture. However, when you point to a picture and say an incorrect vocabulary word for it, the students should remain silent. Repeat this process until the students have responded a number of times to the different vocabulary pictures.

High Roller

Give a die to each of two students. When you say “Go,” the students should roll their dice. The student who rolls the highest number on his/her die must then say a complete sentence about a vocabulary picture that you show. Repeat this process until many students have responded with sentences of their own.

Actions!

Group the students together in front of you. Perform an action which represents one of the key vocabulary words. The students should say the vocabulary word for the action you perform. Repeat, using a different action for each vocabulary word.



Sheet Golf

Before the activity begins, obtain an old sheet. Cut a hole (approximately two inches in diameter) in each end of the sheet. Group the students into two teams. Have the first player from each team hold opposite ends of the sheet. Place a marble or small ball in the center of the sheet. When you say “Go,” the players must then lift their ends of the sheet and attempt to cause the marble or ball to fall through the hole in the other player’s side of the sheet. When the ball or marble falls through one of the holes, the player on that side of the sheet must say the name of a vocabulary picture you show or he/she should repeat a sentence you said at the beginning of the round. Repeat with other pairs of students until all students have participated. If the sheet is large enough, all students can play—divide the students into four groups (one group for each side). Cut a hole in the sheet near each side. When the marble or ball falls through, all the players on that side must say the name of a vocabulary picture that you show. Repeat.

The background features a decorative border at the top with stylized, colorful faces in shades of blue, orange, and grey. Below the faces, an open book with yellowed pages is shown, tilted slightly to the right.

Language and Skills Development

READING

Find the Other Half

Group the students into two teams. Give the first player in each team a flashlight. Cut each of the sight words in half. Mix the word halves together and attach them to the chalkboard in a scattered form. Stand between the two teams with a flashlight. Shine the light of your flashlight on a word half. The first player in each team must turn on his/her flashlight and find the other half of the word for the word half your light is shining on. The first student to do this correctly wins the round. Repeat.

Circle of Words

Before the activity begins, prepare a page that contains the sight words. Provide each student with a copy of the page. The students should cut the sight words from their pages. When a student has cut out the sight words, he/she should lay them on his/her desk in a circle. Then, each student should place a pen or pencil in the center of the circle of sight word cards. Each student should spin the pen/pencil. Say a sight word. Any student or students whose pens/pencils are pointing to the sight word you said, should call "Bingo." The student or students should then remove those sight words from their desks. Continue in this way until a student or students have no sight words left on their desks.

Letter Encode

Prepare a page that contains large alphabet letters from A to Z. Make five copies for each student. The students should cut out their letters. When all of the letters have been cut out, show a vocabulary picture. The students should then use their letters to spell the word for that picture. Repeat, using the remaining pictures from this unit. Have the students store their cut out letters in individual envelopes.

Flipped Out

Mount the sight word cards on the chalkboard. Give each student a penny. Keep one penny for yourself. The students should carefully toss their pennies into the air. Toss your penny into the air at the same time. Call the side of your coin that is showing (heads or tails). The students who have the same side of coin showing must stand and point to sight words for pictures you show. Repeat.



Language and Skills Development

WRITING

The Other Half

Cut each of the sight words in half. Give each student a sheet of writing paper, a pen, and one of the word halves. Each student should glue the word half on his/her writing paper and then complete the spelling of the word. You may wish to have enough word halves prepared so that each student completes more than one word. Afterwards, review the students' responses.

Numbered Pictures

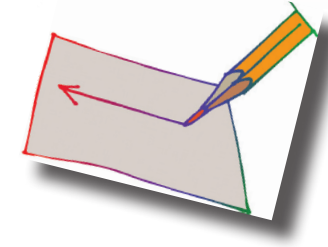
Mount the vocabulary pictures on the chalkboard and number each one. Provide each student with writing paper and a pen. Call the number of a picture. Each student should write the vocabulary word for the picture represented by that number. Repeat until all vocabulary words have been written. Review the students' responses.

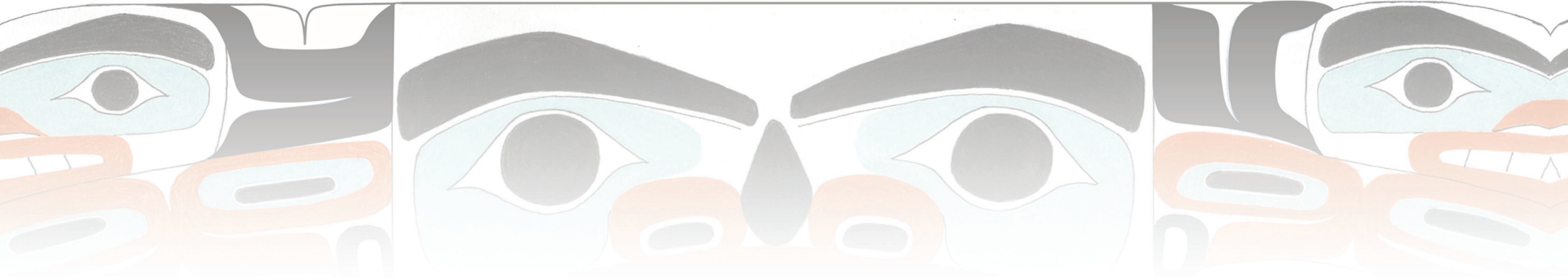
Sentence Completion

Give each student a copy of the sentence completion version of the text. The students should write in the missing words. Afterward, review the students' work.

Sentence Completion 2

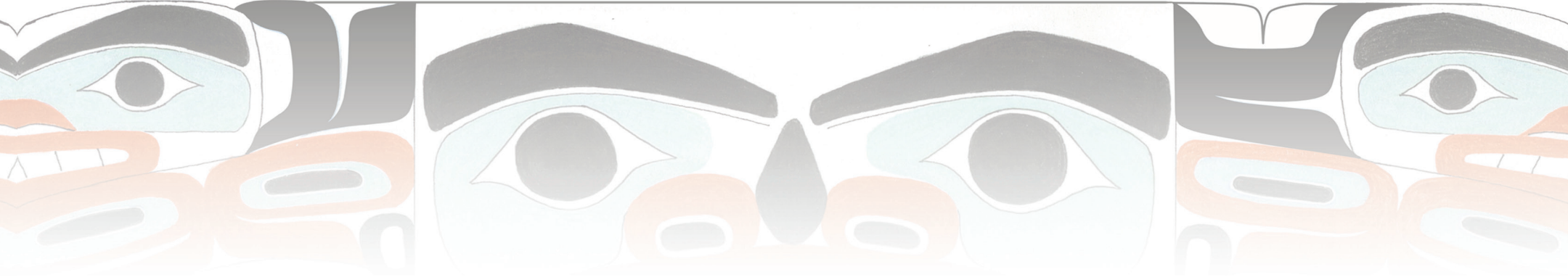
Write a number of sentence halves on individual sentence strips. These should include both the beginning and ending halves of sentences. Mount the sentence halves on the board and number each one. Provide the students with writing paper and pencils/pens. Each student should then complete ONE of the sentence halves in his/her own words, writing his/her part of the sentence on the sheet of paper. When the students have completed their sentence halves, have a student read ONLY the sentence half he/she wrote. The other students must then attempt to identify the "other half" of the sentence on the board (by its number). Repeat until all of the students have shared their sentence halves in this way.





Unit 7: Essential Questions

1. What did section 7 of ANCSA create and what was received through this section?
2. Where does Sealaska Corporation own land?
3. How much land does Sealaska Corporation own?
4. How many people does Sealaska Corporation employ?
5. How does section 7i make Native corporations different from other corporations?
6. Why do Native corporations have to share their profits?
7. In what ways have Native corporations struggled since the passage of ANCSA?



Reading and Writing: Sentence Completion

Unit 7: ANCSA Provisions (b)

Section 7 of the Alaska Native Claims Settlement Act created the regional Native corporations (Congress, Alaska Native Claims Settlement Act Resource Center, 1971). It was these, along with the village corporations, that received the land and money of the settlement (Laster, 1986).

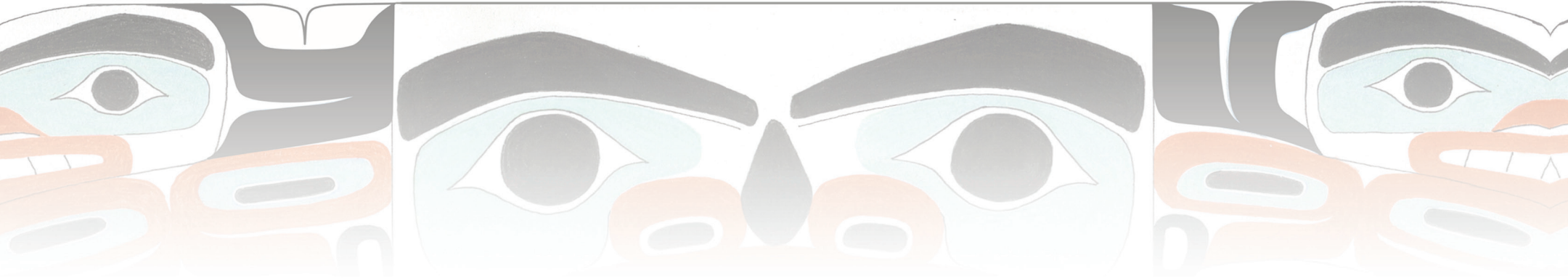
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1971). Why did Congress write this into the act? They did it to protect Native corporations. Congress also saw corporations as a way to assimilate or to change Alaska Natives. They would see themselves as individuals who owned shares in the corporations. Congress was afraid that if stock was not restricted, non-Natives could take over the new corporations (Laster, 1986). This gave the corporations 20 years to become strong enough to resist a take-over or being purchased by another corporation. After 20 years, individual shareholders could also sell their stock. Restricting the sale of stock does help the corporation from being taken over, but it also creates an interesting problem for the shareholders. If you own stock in a regular corporation, and you don't like the way it is being run, you can sell your stock and get out. But with ANCSA corporations stock holders can't do that. If they don't like what their _____ is doing they can't sell their stock.

The next section, Section 7 (i), also makes ANCSA corporations different from all others. It is a formula for sharing money that corporations make from _____ or _____ operations (Congress, Alaska Native Claims Settlement Act Resource Center, 1971). For instance, the Arctic Slope Regional Corporation has land that is rich with oil and natural gas. Under Section 7 (i) they have to share a portion of their profits made off oil and gas with



the other 11 regional corporations (Congress, Alaska Native Claims Settlement Act Resource Center, 1971). The idea behind this is to balance the _____ and _____ wealth of some corporations with the lack of resources in other regions. So, whenever one of the twelve regional corporations makes a profit off its _____s or _____, it gets to keep 30% of it. The other 70% goes into a fund that is divided between the other 12 corporations. The village corporations also receive a portion from the regional corporations. Native people who are not enrolled into village corporations also receive a portion of the 7(i) funds. The thirteenth corporation, set up for Natives living outside the state, doesn't get a share of the 7 (i) money (Laster, 1986).

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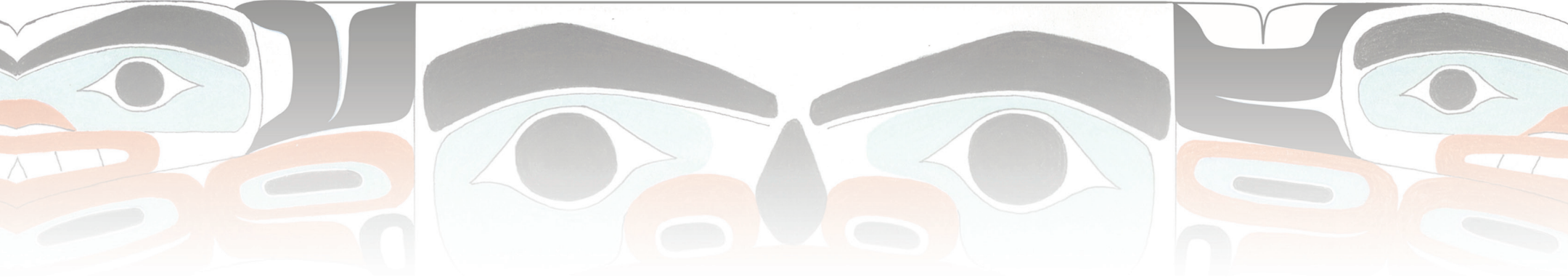
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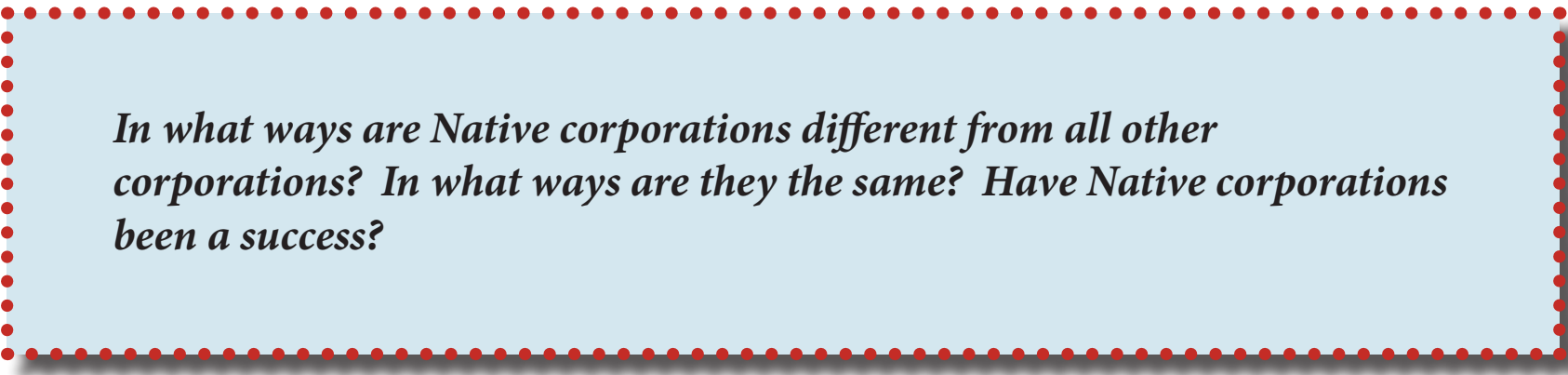


Unit 6: Assessment

This assessment should be implemented once students have participated in and completed the unit's activities, and once the teacher is fairly certain that students have a working understanding of the vocabulary terminology.

Using the excerpt below from Unit 7 as a prompt, have students write an essay (1 page at least) in response. Students' written responses should include as many vocabulary words as possible (students could receive extra points if they include all vocabulary terms). Students must demonstrate basic comprehension of vocabulary terms. Students written responses must be coherent and on topic.

- Students should review (individually or in groups) the text in Unit 7 Written Content as well as Appendix I: VIII Section by Section Analysis, sections 7, 8, and 9 prior to assessment.
- Students who may have difficulties with this writing assignment could demonstrate their understanding of vocabulary terms through an oral assessment.



In what ways are Native corporations different from all other corporations? In what ways are they the same? Have Native corporations been a success?



employs

inheritance



board of directors



**tribal member
shareholders**

mineral

timber



profit sharing

taxes



bankrupt



amended

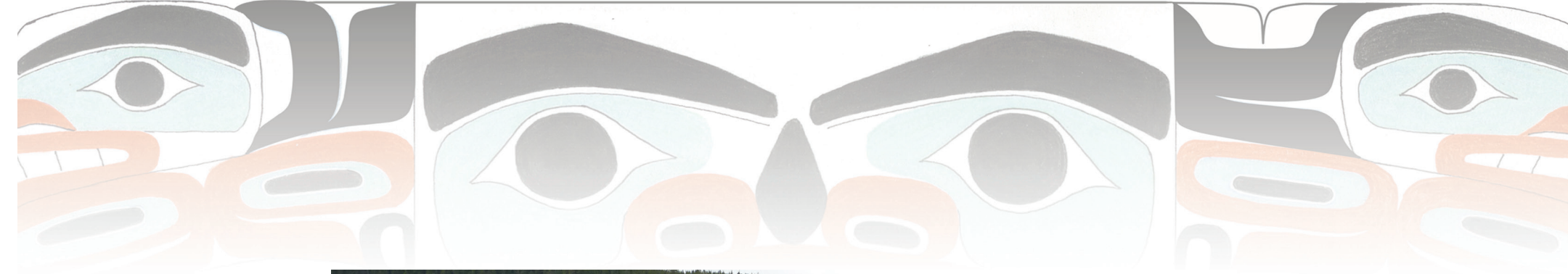
accountants

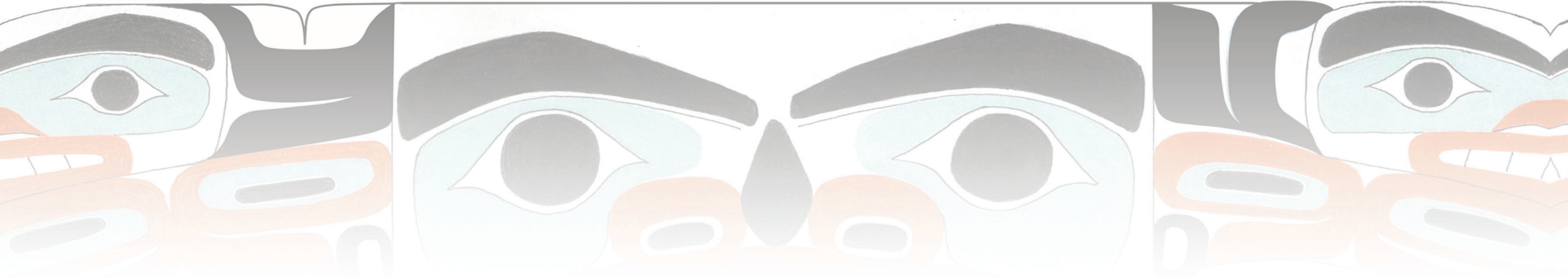
essential



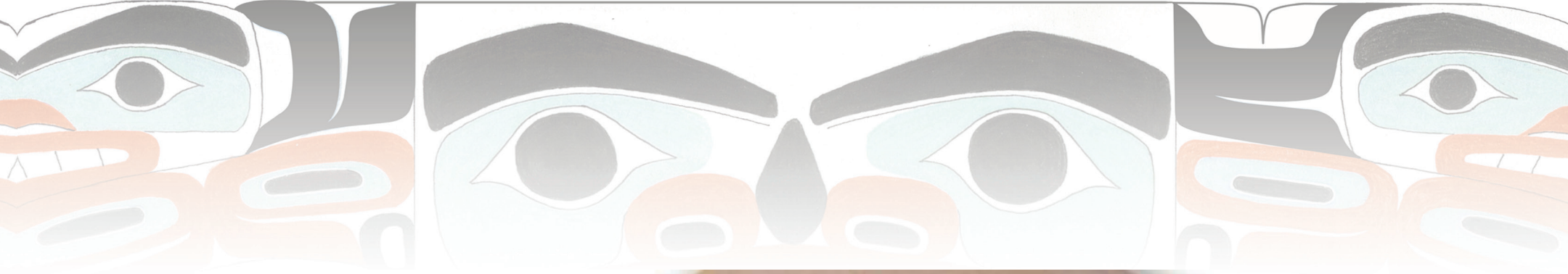
VOCABULARY PICTURES

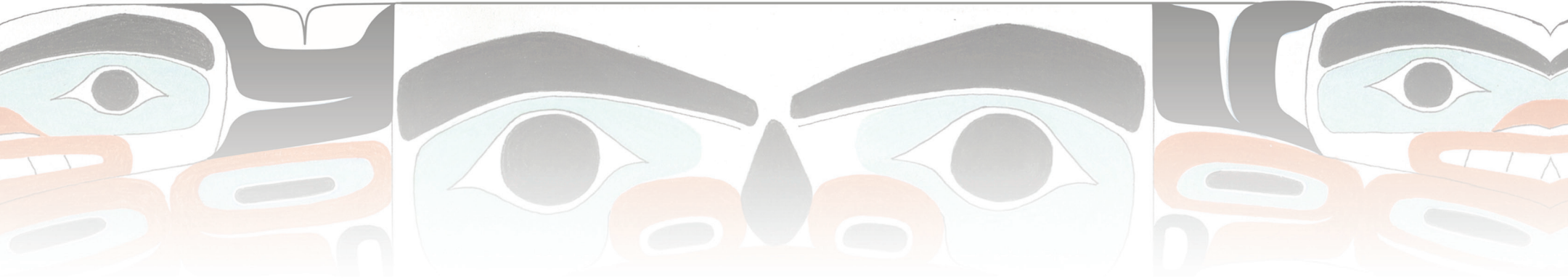






EMPLOYS





INHERITANCE

Board of Directors

The Foundation of the Past, the Vision of the Future



Albert Kookesh
Board Chair



Rosita Worl
Vice Chair



Patrick Anderson



Sidney Edenshaw



Barbara Cadiante-Nelson



Clarence Jackson, Sr.



Jacqueline (Johnson) Pata



J. Tate London



Byron I. Mallott



Jodi Mitchell



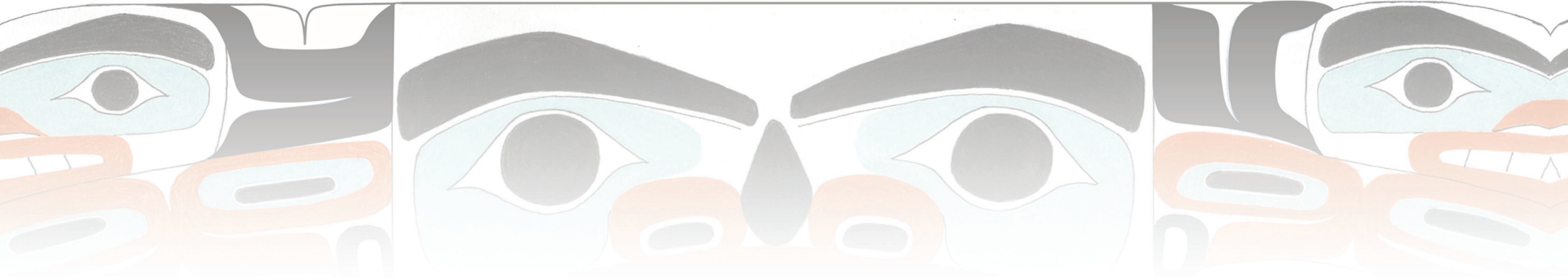
Joseph Nelson



Bill Thomas

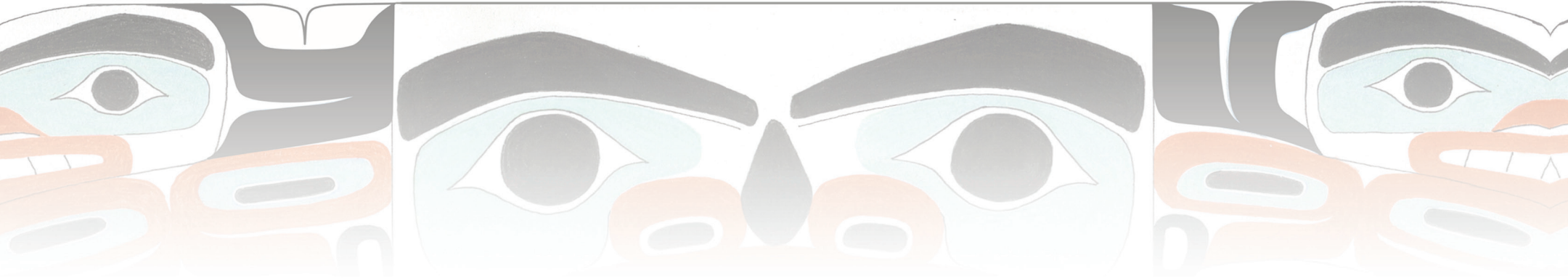


Ed Thomas

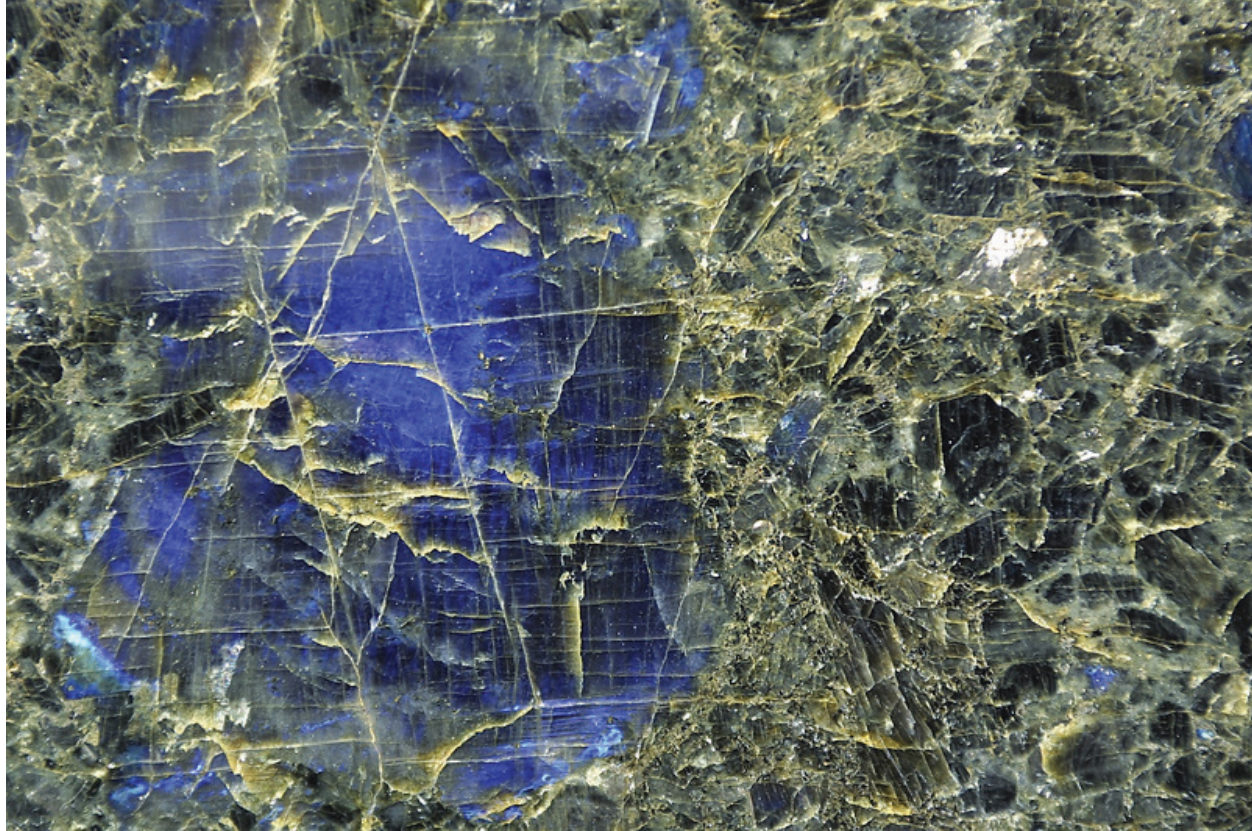
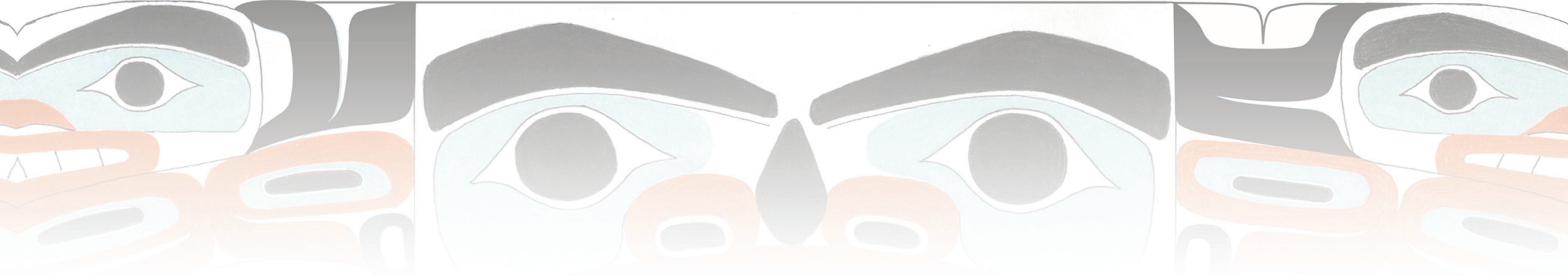


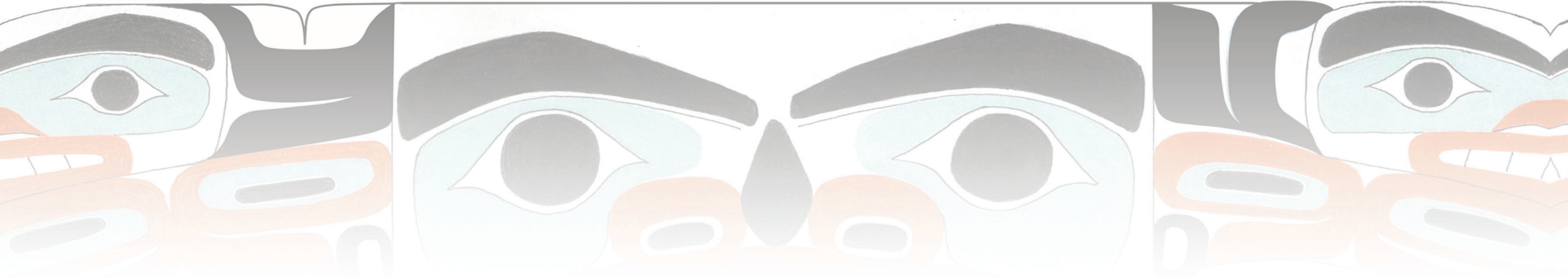
BOARD OF DIRECTORS



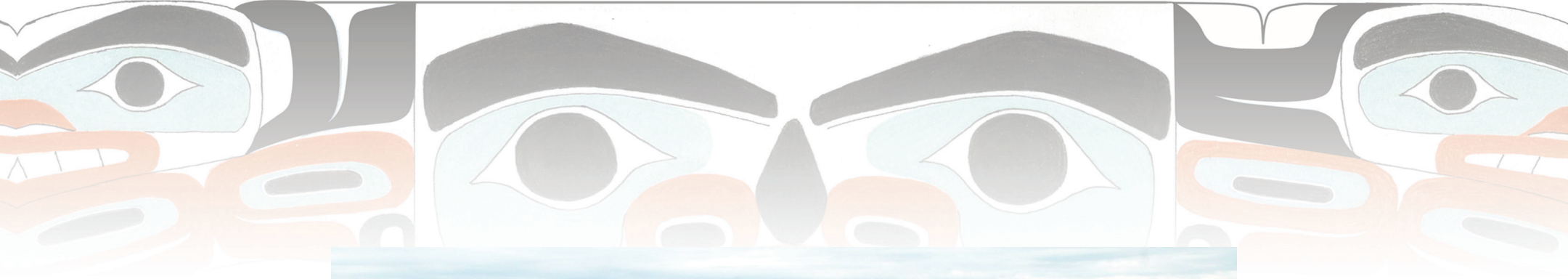


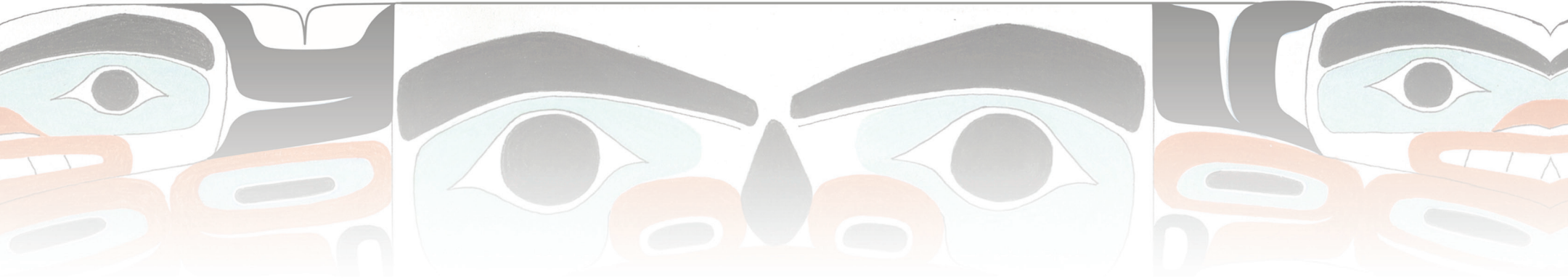
TRIBAL MEMBER SHAREHOLDERS



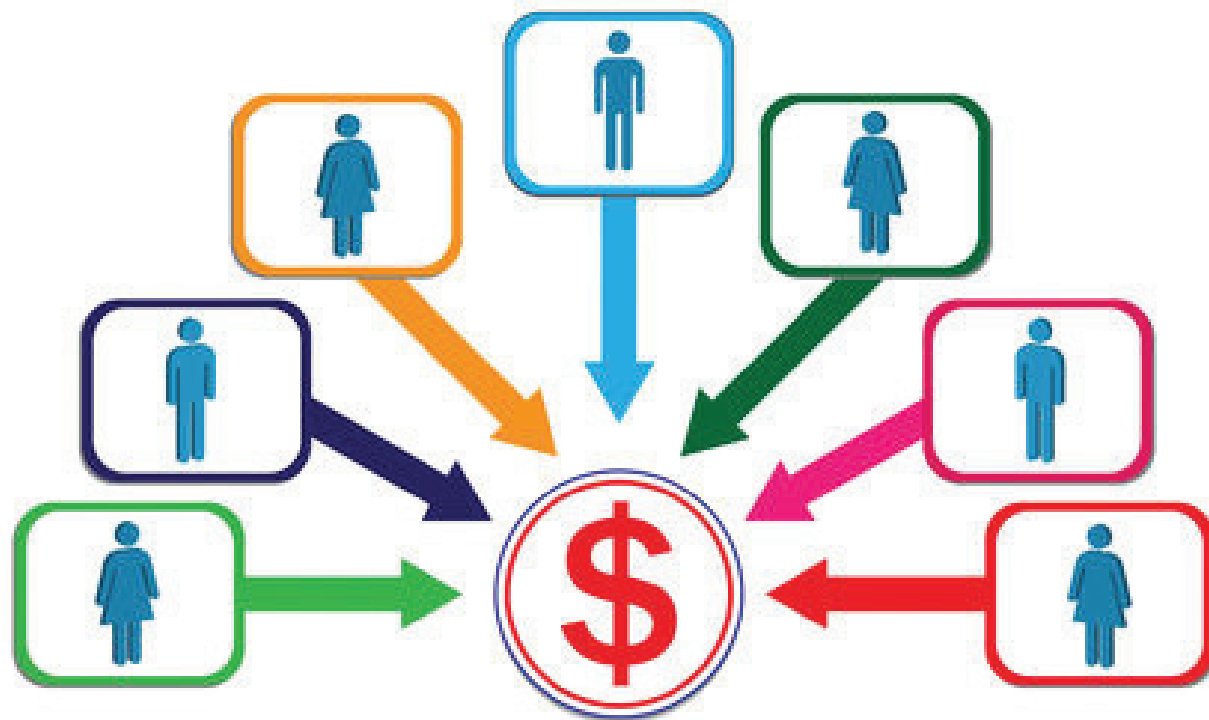
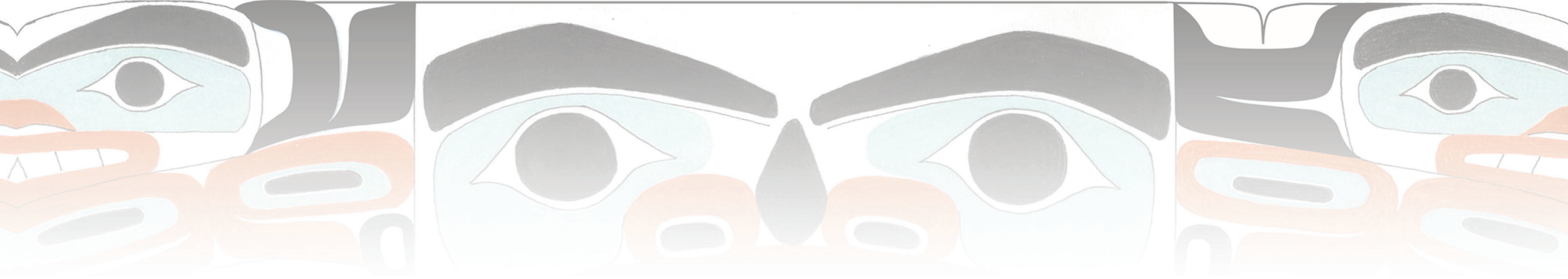


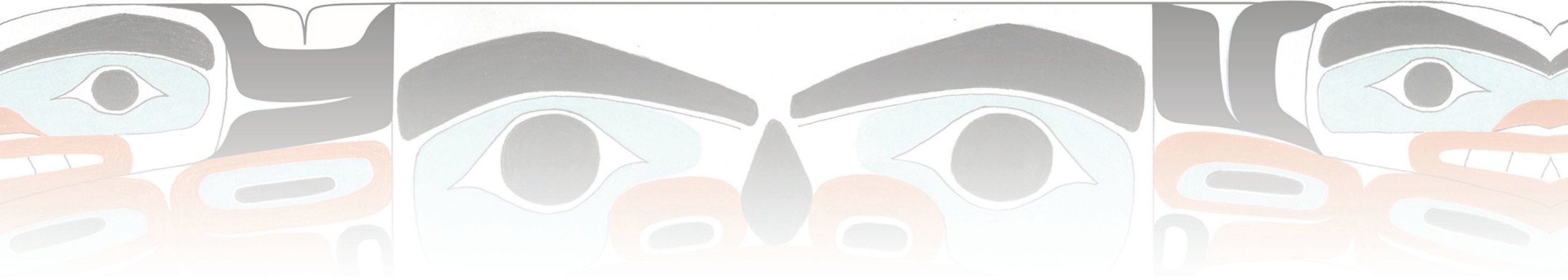
MINERAL



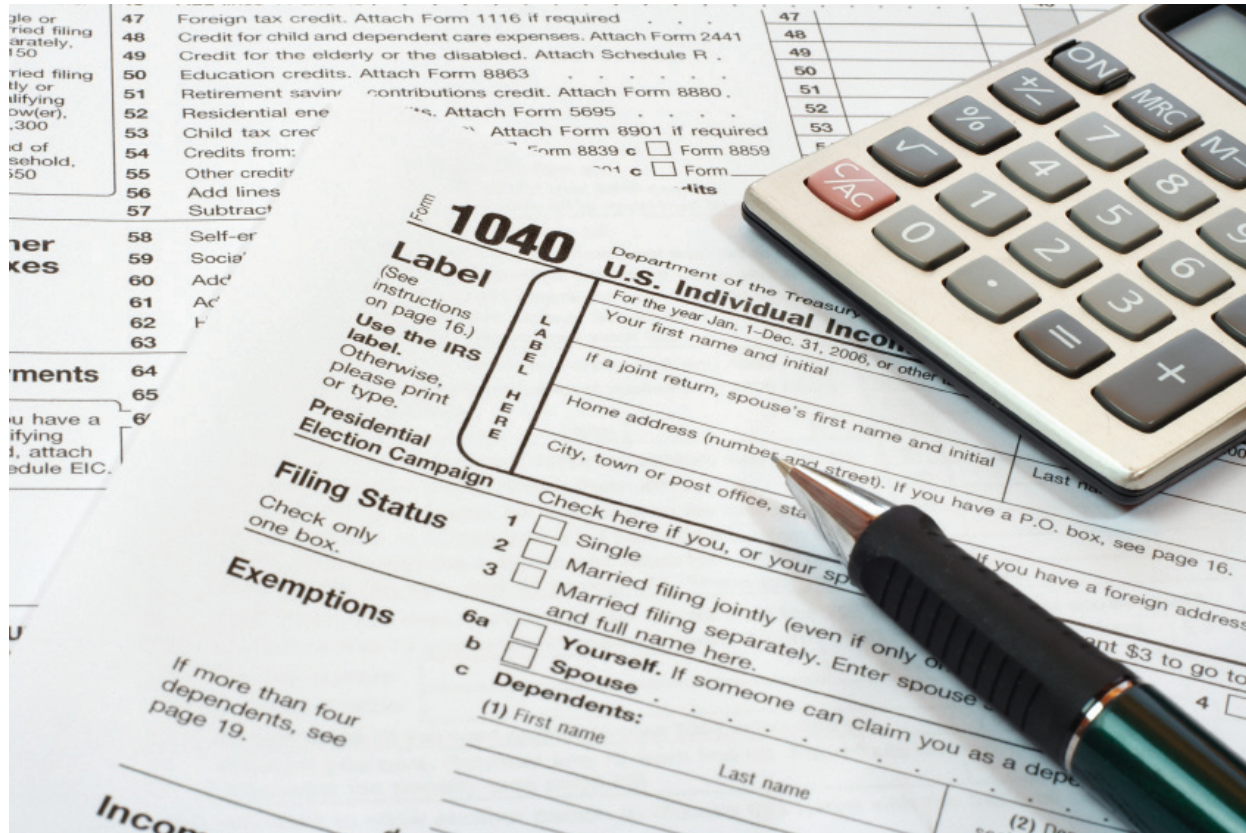
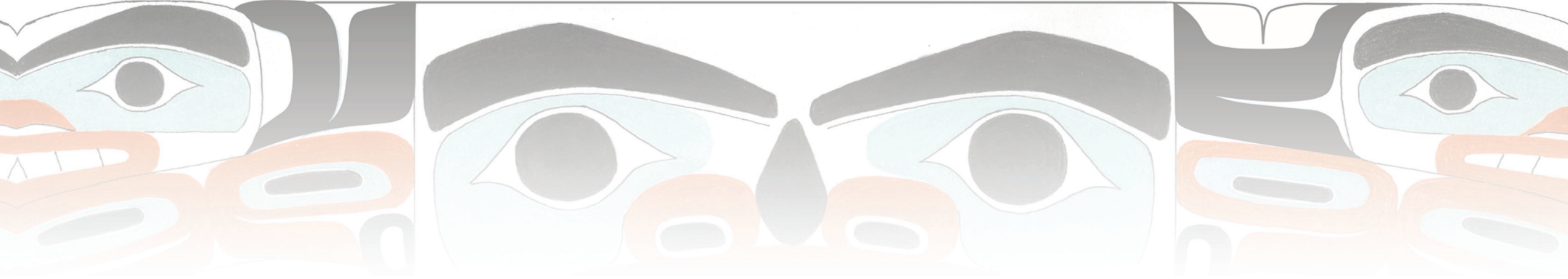


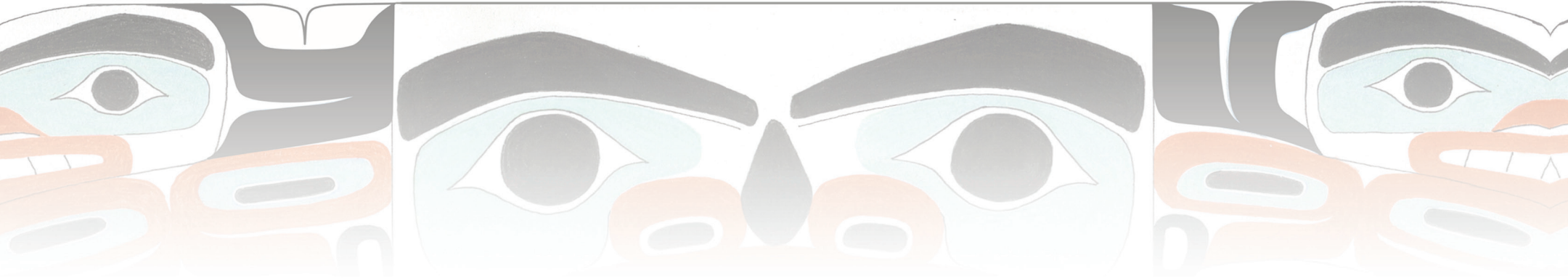
TIMBER



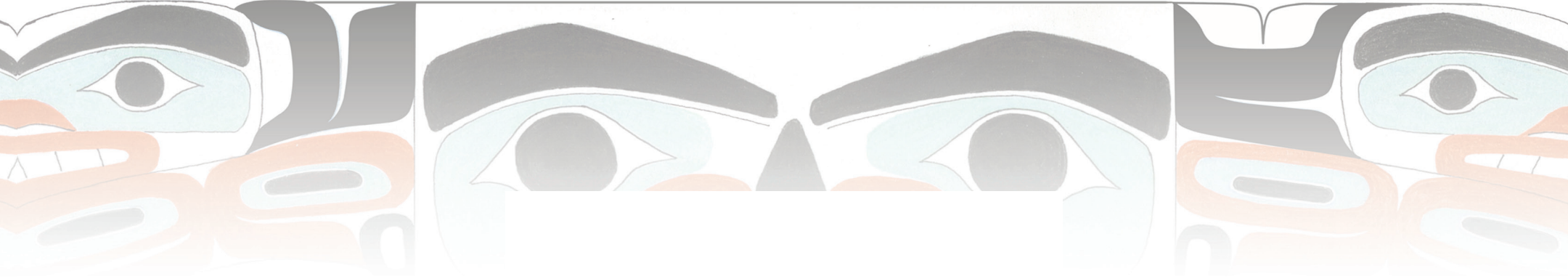


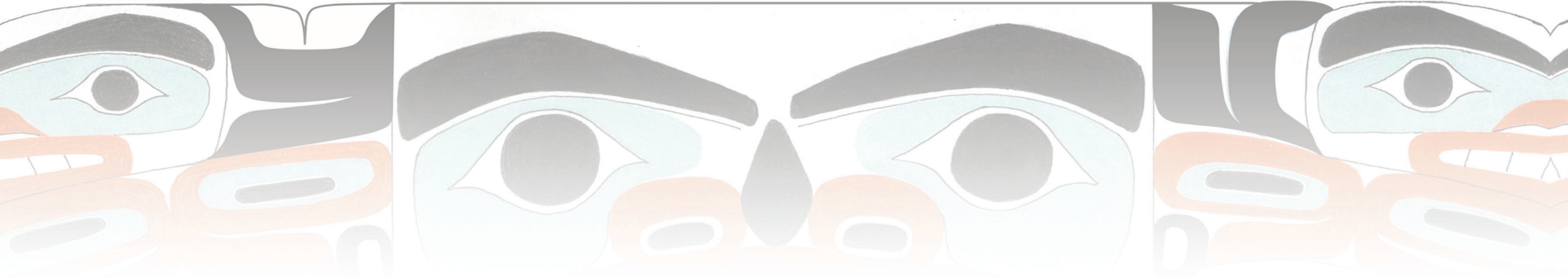
PROFIT SHARING



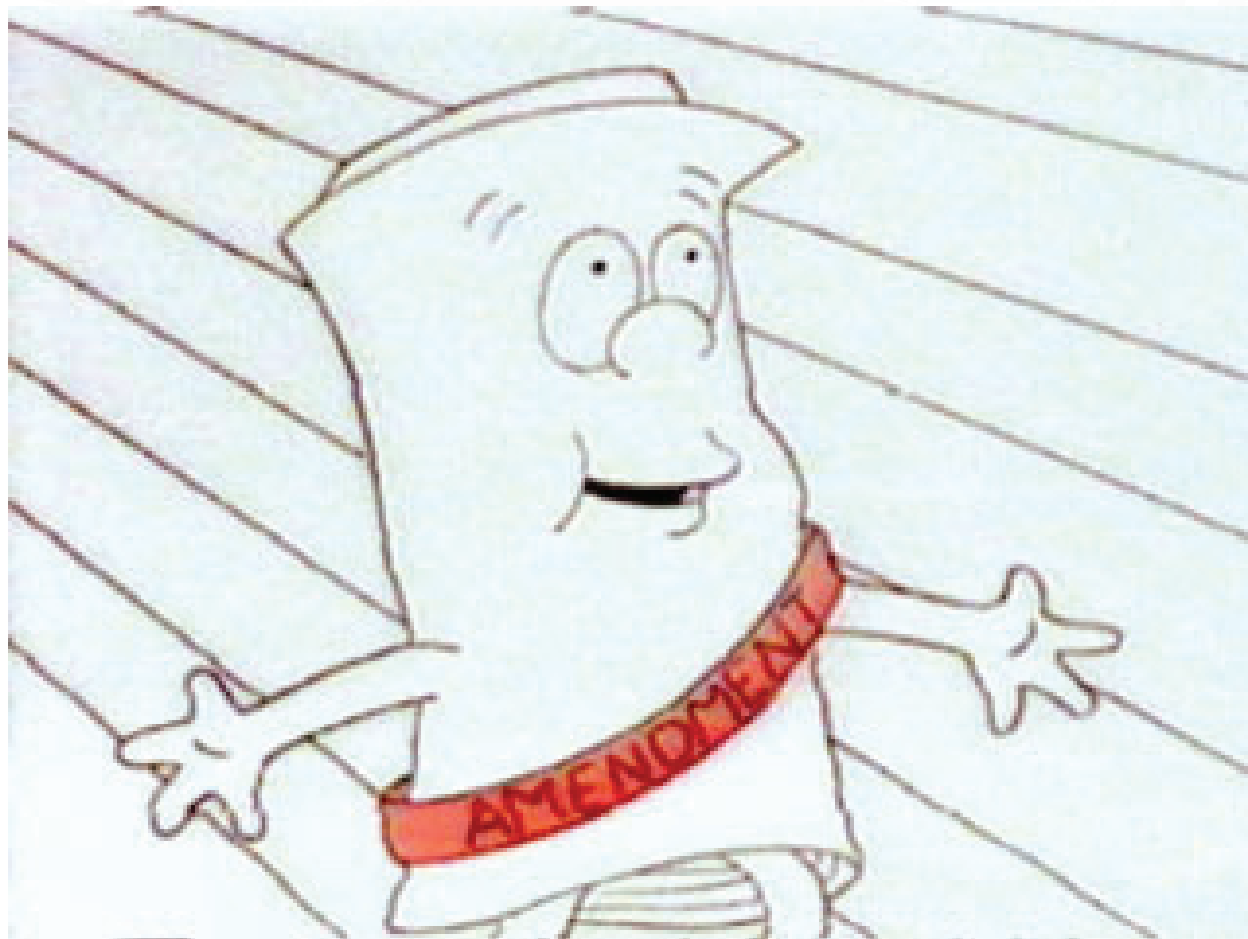
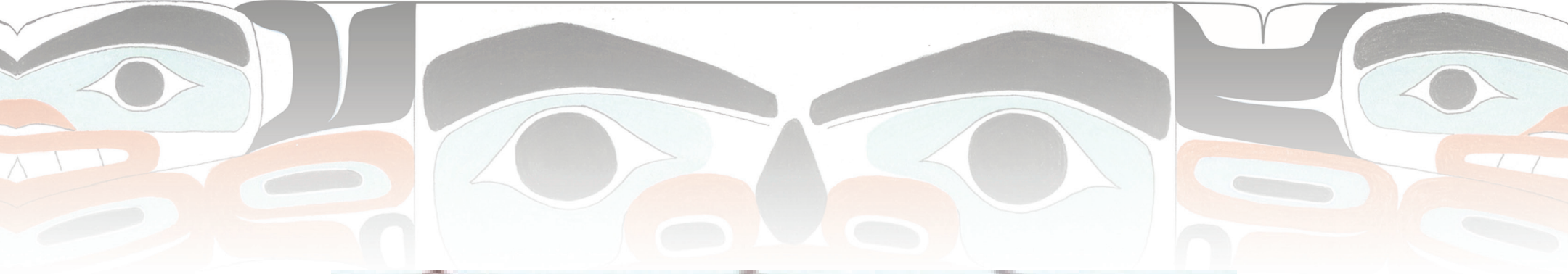


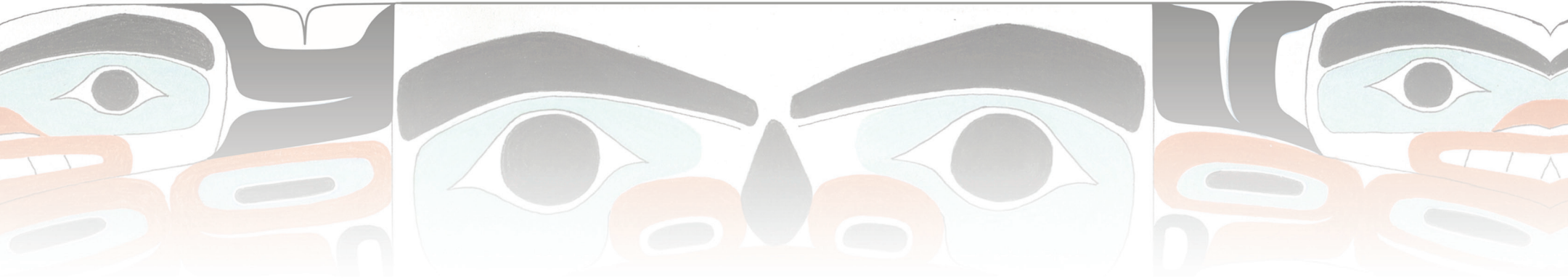
TAXES



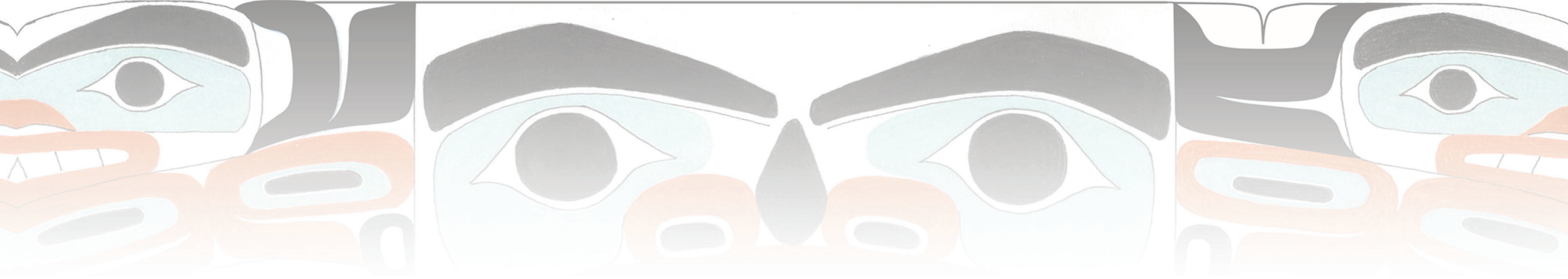


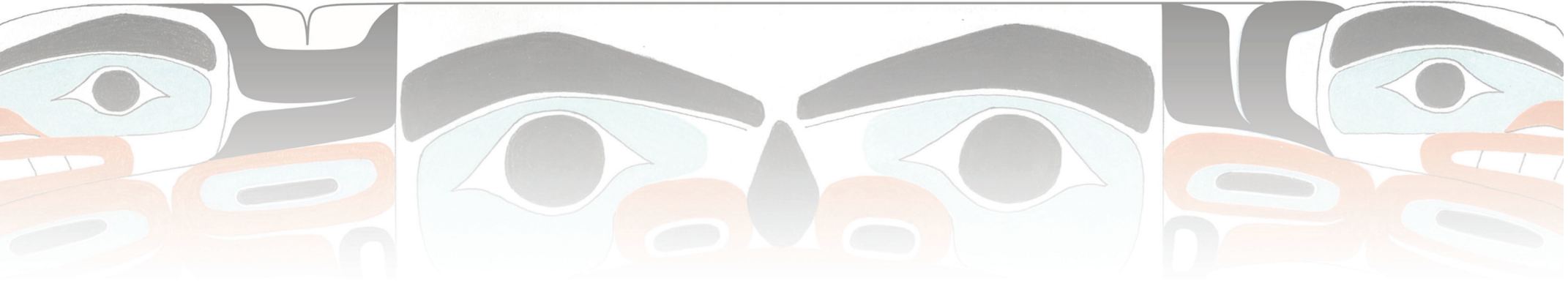
BANKRUPT





AMENDED





ACCOUNTANTS