

# letters

## Comments on endorsements

Tundra Times  
516 Second Avenue  
Fairbanks, Alaska

Dear Editor,

Your invitation for comments on whether the Tundra Times should get mixed up in the politics of regional corporations' elections compels me to state publicly that there is a great need for you to do so.

First, these corporations are really quasi public ones. Their 85,000 members are such a broad base of the Alaska community that they are like the State itself or a large Borough or a large city. It is a newspaper's obligation to concern itself with public affairs and thus to show leadership in the affairs of the Regional Corporations.

When the Omnibus Amendment Bill to ANCSA was passed and signed into law by President Ford on January 2, 1976, one of its provisions exempted the Alaska Native corporations from obeying the Federal Securities Laws. While the legislative history of how that section got in the new law is silent, I believe that it was supported by the management groups of every one of the Alaska regional corporations. This is so for a very simple reason. One of the provisions of the Federal Securities Laws is that a dissident candidate can make a demand on a corporation for an equal budget, equal to what management spends on proxy gathering.

In Sealaska's case, Byron Mallott, chairman of the Corporation, stated publicly that management had budgeted \$25,000.00 for the 1977 election. This money is used to send board members from Anchorage to San Diego. Management prints and mails propaganda for its own re-election. It rents

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halls, prints invitations in advertisements in newspapers and radios and television for public meetings. It hires solicitors to knock on doors to gather proxies, etc.

A dissident must fund himself. Thus, a disadvantage to a dissident.

The initial boards in the creation of these corporations were all chosen by a frenzy in June, 1972, because the Secretary of the Interior had ruled that they had to be created by July 1 in order to qualify for the \$500,000.00 advance payment authorized by the May, 1972 Appropriations Act. These initial boards were not elected, but were simply chosen by the initial incorporators, five in number. But with the built-in funding for management candidates these initial boards have been able to perpetuate themselves without there ever having been a fair election.

It is in the public's interest that a disinterested and impartial body judge the effectiveness of these initial boards.

A dissident also has a disadvantage in learning what the facts are within the management problems. A dissident therefore has a disadvantage in pointing out mistakes that management has made. In Sealaska's case, management has ruled that the stockholders' right of inspection of records provided by Alaska law can be exercised only at corporate headquarters, only with a management observer present and the only copying permitted is in longhand. Xeroxing is forbidden.

The need for constructive criticism is readily apparent in many of the regional corporations, but how can a dissident criticize unless he knows the facts.

Again it is in the public interest that an outsider review the qualities of the respective candidates for the various boards of directors.

In some cases of the regional corporations, management is aware that in the space of 15 years, they will have their share of \$1 billion and the management of 40 million acres of perhaps \$1,000.00 in value per acre (40 billion dollars). They understand the power that these assets control and they understand well the use of that power in keeping themselves in control.

It is time that there be some disinterested evaluations, and I hope you will undertake that task.

Yours very truly,  
Frederick Paul,  
A Stockholder in  
the Sealaska Corporation