

CONFIDENTIAL
NOV 19 1976
10:15 AM
MONTGOMERY
WASHINGTON

Box 4716

Santa Barbara, California 93103

Pacem in Maribus

To: Participants, Category B
Pacem in Maribus VII
Algiers, Algeria
October 25-28, 1976

From: Elisabeth Borgese
Chairman, Planning Council
International Ocean Institute

Date: October 8, 1976

We have advised the Algerian authorities of your participation in Pacem in Maribus VII and requested that they reserve a room for you. Will you please write or cable Dr. Idriss Jazairy, Presidence de la Republique, El Mouradia, Algiers, Algeria, to notify him of your arrival time. Please also confirm to him that you are responsible for your own airfare and expenses.

*Dear Alex, in your case, I confirm
hereby that we are responsible for your expenses.
Best regards!*

Elisab

The
Center *for the Study of Democratic Institutions/The Fund for the Republic, Inc.*

September 23, 1976.

Dear Aaron:

mysteriously, I do not seem to be able to locate the copy of your letter to Ganado. So therefore: could you mail it directly to

Dr. Edwin Borg-Costanzi
Rector
Royal University of Malta
Msida, Malta.

The sooner the better.

See you soon.

Love,

Elisabeth

Elisabeth Mann Borgese.

KOZAK, SCHWARTZ & CO.

CERTIFIED PUBLIC ACCOUNTANTS

310 MADISON AVENUE, NEW YORK, N. Y. 10017, MURRAY HILL 2-6545

October 7, 1976

Elisabeth M. Borgese
c/o Fund for the Republic
P. O. Box 4068
Santa Barbara, Calif. 93103

Dear Elisabeth:

I have sent a copy of my letter to Ganado to Dr. Edwin Borg-Costanzi, and sent you a copy.

I have also sent a visa application to the Algerian Embassy, indicating Hebrew as my faith.

I await hearing from Andy Stewart, re the advance, etc.

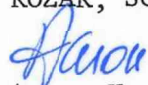
I intend leaving for Paris on October 20th and, of course, arriving in Algeria on the 24th.

I wonder if it would be convenient to have my air ticket in my hands before that day.

Anything else to be done, please let me know soon.

Sincerely,

KOZAK, SCHWARTZ & CO.


Aaron Kozak



AK/il

KOZAK, SCHWARTZ & CO.
CERTIFIED PUBLIC ACCOUNTANTS

310 MADISON AVENUE, NEW YORK, N.Y. 10017, MURRAY HILL 2-6545

November 11, 1976

Mrs. Jean Muller
Center for the Study of
Democratic Institutions
P. O. Box 4068
Santa Barbara, Calif. 93103

Re: FRIENDS OF THE INTERNATIONAL
OCEAN INSTITUTE

Dear Jean:

Awfully sorry that I missed you in Algeria.

Elisabeth told me that there was \$ 2,000 that had to be sent to the IOI. Would you kindly draw the check. I do not recall who is now signatory on the account. Would you be good enough to call the bank and find out which signatures are required. Have the appropriate party sign and have the check sent to me for signature and/or forwarding to the IOI.

Done I would also suggest that you notify the bank to, in the future, send me all bank statements. Looking forward to seeing you,

Sincerely,

KOZAK, SCHWARTZ & CO.

Aaron Kozak
Aaron Kozak

AK/il

Albany
John
Barbara NY
Andy Stewart
John
no ans
Time
late
San Fran
have
212-455-1724
Tucson Ariz
San Diego
San Fran
Ben Hill Hotel
LA
20,000
brumping
west
thru
Armed Forces

COPY for Mrs. Bugeja

PROF. J. M. GANADO
B.A., PH.D. (LOND.), LL.D.
F. CHETCUTI LL.D.
E. FENECH ADAMI B.A., LL.D., M.P.
H. PERALTA B.A., LL.D.,
P. BIANCHI LL.D.
P. PULLICINO LL.D.

CABLES: ATTORNEY, MALTA.
TELEPHONE: 622096 - 25908

171, OLD BAKERY STREET,
VALLETTA,
MALTA.

ADVOCATES

14th October 76

.....19

Your Ref.

Our Ref.

Mr. Aaron Kozak,
Kozak, Schwartz & Co,
310 Madison Avenue,
New York, N.Y. 10017,
U.S.A.

Dear Mr. Kozak,

I thank you for your letter of the 13th July, 1976. I am sorry I did not reply earlier but I was away from the office for quite some time and I thought it advisable to await the elections as the result would have materially affected the content of my letter. As things turned out, however, there is the same Government as we have had during the last five years.

You suggest that IOI should sell all of its right, title and interest, as author, to the Friends of the IOI for the consideration which you mention in your letter, i.e. the borrowings for the Okinawa Conference plus 5000 dollars. If IOI is considered to be the author, any transfer of its rights would be an assignment and, as such, is subject to the Exchange Control restrictions. For Exchange Control permission to be given, all sorts of questions are put, the main considerations being: "What benefit is going to be derived by the economy of Malta if the permit were given?" With the present Government's attitude to IOI, I do not think it advisable to submit any application for Exchange Control permit. I expressed the same view in my letter of the 19th June, 1976.

The above is the really crucial point. The Income Tax and Donation Duty points are, I feel, of secondary, though maybe substantial, import. In my view, Income Tax exemption, if needed, will not be obtained; the Donation Duty, if needed may be obtained.

I have just had a meeting with Prof. E.J. Borg Costanzi and am informed that he will soon be having a meeting with the other Trustees. I do not know what the exact subject of the discussion will be but the future of the present set-up will undoubtedly feature in the discussion.

My view is that all financial arrangements should be made overseas and IOI, as at present constituted (as an Organisation created and having its centre in Malta) should not feature in any way other than a recipient of contributions.

I am sending a copy of this letter to Mrs. Borgese for her information.

Yours sincerely,

Prof. J. M. Ganado

2-019997E288002 10/14/76 ICS IPMRNCZ CSP MTCA
1 8059669342 MGM TDRN SANTA BARBARA CA 10-14 1153A EST

ELIZABETH BORGESE
734 ARBOLABO
SANTA BARBARA CA 93103

THIS IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

INTL LT TDRN SANTA BARBARA CA 10-14 1153A EST
INT LT JOSEPH GANADO
177 OLDBAKERY STREET
VALLETTA (MALTA)

MR KOZAK AND I WILL BE IN MALTA ABOUT NOVEMBER 1 FOR FINAL
SETTLEMENT OF CONTRACT REGARDS
ELIZABETH BORGESE

COL 177 1
1155 EST

MGMCOMP MGM

KOZAK, SCHWARTZ & CO.

CERTIFIED PUBLIC ACCOUNTANTS

310 MADISON AVENUE, NEW YORK, N. Y. 10017, MURRAY HILL 2-6545

November 10, 1976

Mrs. Elisabeth M. Borgese
c/o The Fund for the Republic
P. O. Box 4068
Santa Barbara, Calif. 93103

Dear Elisabeth:

I enclose herewith an article, cut out of the Wall Street Journal, November 9, 1976, which I think you will find most interesting.

Welcome home!

You will see by the accompanying letter, my efforts to reach Andy.

How much of the \$ 2,500,000 have we in pocket as of now?

Talk to you soon.

Love,


Aaron

AK/il
encls.

✓ LT

OCT 13

JOE GANADO
177 OLD BAKERY ST
VALLETTA MALTA

MR KOZAK AND I
WILL BE IN MALTA
AROUND NOV 1 FOR
FINAL SETTLEMENT OF
CONTRACT REGARDS

E B

KOZAK, SCHWARTZ & CO.
CERTIFIED PUBLIC ACCOUNTANTS

310 MADISON AVENUE, NEW YORK, N. Y. 10017, MURRAY HILL 2-6545

July 13, 1976

C
Prof. J. M. Ganado
171 Old Bakery Street
Valletta, Malta

Dear Prof. Ganado:

O
Thank you very much for your letter of June 19, 1976, which was very revealing and, I might add, disturbing.

From our point of view, it would be highly desirable to somehow find a way to let stand the documentation originally supplied you. That is to have IOI be the author.

P
Will the following information and revisions, alter your thinking regarding "Exchange Control and Malta Income Tax Consequences?"

The International Ocean Institute, you may recall, sponsored the conference in Okinawa last year. In so doing, it borrowed a substantial sum of money to pay for the cost of the conference. It will be necessary that the first proceeds from the book "THE DRAMA OF THE OCEANS", be used to liquidate that obligation.

Y
I would appreciate your comments on the following suggested modifications: If, instead of an assignment by the IOI to the Friends of the IOI, as proposed, that the IOI sell all of its right, title and interest, as author, to the friends. The consideration would be the Friends assuming the obligation of the borrowings for the Okinawa conference, and an agreement to pay, within a period of one year, an additional sum of \$ 5,000. From your letter, I gather we would thus avoid any Malta income tax. Would we also escape the Exchange Control Regulations?

July 13, 1976

If not, could you suggest any further modification that might accomplish our purpose? As far as the donation is concerned, I have been informed that Mrs. Borgese is, in fact, an officer of the IOI. If such is the case, could we not take the position that an employer-employee relationship did exist?

Of course, all future advances from the Friends of the IOI to the IOI would be in the form of contributions as heretofore.

I would appreciate your early comments, and I would be more than happy to meet in London, at some later date, after your preliminary evaluation.

Thank you very much.

Very truly yours,

KOZAK, SCHWARTZ & CO.

Aaron Kozak

AK/il

cc. E. Borgese

Professor
Joe M. Ganado
Malta
Valletta

171 Old Bakery St

Please confirm whether
you received Mr. Kozak's
letter and ~~suggestion~~
what next step should
be. It is absolutely
urgent that the contract
be settled now one way
or the other regards.

Elizabeth Mann
Boyer

79.50
37.09

116.59

malta

1/2 es n y u o n
Kozaks u 'e'
n Ganado Malta

KOZAK, SCHWARTZ & CO.

CERTIFIED PUBLIC ACCOUNTANTS

310 MADISON AVENUE, NEW YORK, N. Y. 10017, MURRAY HILL 2-6545

November 10, 1975

Mrs. E. Borgese
c/o The Fund for the Republic
P. O. Box 4068
Santa Barbara, Calif. 93103

TO PROFESSIONAL SERVICES RENDERED:

Tax services for 1974
Disbursements

\$ 550.
15.

\$ 565.

B Y L A W S
OF
FRIENDS OF THE INTERNATIONAL OCEAN INSTITUTE

ARTICLE I

MEMBERS

Section 1. Voting Members. The voting members of this corporation shall be only those persons who at the time are members of the Board of Directors and all other persons who are elected by the Board of Directors as Voting Members. No member of any other class shall have the right to vote at the meetings of the corporation or to consent to or disapprove of any corporate action.

Section 2. Other Members. The Board of Directors may authorize from time to time any other class or classes of members and from time to time may determine or change the rights, privileges, and duties of and the methods of procedure for admission to any such other class of membership, subject always to the restriction that the right to vote at the meetings of the corporation or to consent to or disapprove of any corporate action shall not be conferred on the members of any such class.

Section 3. Termination of Membership. The membership of any member may be terminated by his voluntary resignation or, with or without cause, by the vote of the Board of Directors.

Section 4. Nonliability of Members. No member shall be subject to assessment or be personally liable for any indebtedness or other obligation of the corporation.

Section 5. Members Have No Proprietary Interest. No member shall have any proprietary interest whatever in or to any of the assets of the corporation, and no income, increments, or other pecuniary or proprietary gain, benefit, or advantage of any kind in any way arising from or growing out of the assets of the corporation or their operation, shall inure or in any way go to or vest in any member of the corporation.

ARTICLE II

DIRECTORS

Section 1. Number. Until changed by amendment of the Articles of Incorporation or by a bylaw duly adopted amending this section, the authorized number of directors of the corporation shall be nine (9).

Section 2. Qualification of Directors. Persons who are elected or appointed as members of the Board of Directors need not be voting members of the corporation at the time of their election or appointment, but immediately upon the taking effect of such election or appointment they shall become ipso facto and during their respective terms as members of the Board shall be voting members. The voting membership of a director shall not terminate by reason of his ceasing for any reason to be a member of the Board

(As amended July
13, 1973)

of Directors unless he resigns as a voting member or his voting membership is terminated by a majority vote or written consent of all other members of the Board of Directors then in office.

(As amended
July 13, 1973)

Section 3. Quorum. At each meeting of the Board of Directors a majority of its members shall constitute a quorum.

Section 4. Election. Directors shall be elected at each annual meeting of the members and shall continue in the office until the election of their successors. If directors are not elected at an annual meeting or if such meeting is not held, directors may be elected at a special meeting of the members.

Section 5. Vacancies. Vacancies occurring in the office of director (except in case of the removal of one or more directors and the election of a new director or directors under the provisions of Section 810 of the Corporations Code of the State of California) shall be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and the person so appointed shall hold office until his successor is elected at an annual, regular, or special meeting of the members.

Section 6. Place of Meeting. Meetings of the Board of Directors shall be held at the principal office of

the corporation or at such place within or without the State of California as is fixed from time to time by resolution of the Board or by written consent of all members of the Board. Whenever a place other than the principal office is fixed by resolution as the place at which future meetings are to be held written notice thereof shall be sent not later than the following business day to all directors who were absent from the meeting at which the resolution was adopted.

Section 7. Organization Meeting. Immediately following each annual meeting of the members a regular meeting of the Board of Directors shall be held for the purpose of organizing, electing officers and transacting other business. Notice of such meetings need not be given.

Section 8. Other Regular Meetings. Other regular meetings of the Board of Directors shall be held at the hour of 10:00 o'clock A.M., on the third Friday of each month. If the day so specified is a legal holiday, the meeting shall be held at the same hour on the next succeeding business day. Notice of regular meetings need not be given.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President and the President shall call a special meeting at any time upon the written request of two directors.

Written notice of the time and place of a special meeting shall be given to each director, either personally or by sending a copy thereof by mail or by telegraph, charges prepaid, to his address appearing on the books of the corporation or theretofore given by him to the corporation for the purpose of notice. In case of personal service such notice shall be so delivered at least twenty-four (24) hours prior to the time fixed for the meeting. If such notice is mailed, it shall be deposited in the United States mail in the place in which the principal office of the corporation is located at least seventy-two (72) hours prior to the time fixed for the holding of the meeting. If telegraphed, it shall be delivered to the telegraph company at least forty-eight (48) hours prior to the time fixed for the holding of the meeting.

Section 10. Adjourned meetings. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour. In the absence of a quorum a majority of the directors present may adjourn from time to time to meet again at a stated day and hour prior to the time fixed for the next regular meeting of the Board. The motion for adjournment shall be recorded in the minute book of the corporation. Notice of the time and place of an adjourned meeting need not be given to any director if the time and place is fixed at the meeting adjourned.

Section 11. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called

and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written Waiver of Notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 12. Action without meeting. Any action required or permitted to be taken by the Board of Directors under any provisions of Divisions 1 or 2, Title 1 of the California Corporations Code may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors. Any certificate or other document filed under any provision of Divisions 1 or 2 of Title 1 of the California Corporations Code which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the by-laws authorize the directors to so act.

Section 13. Powers and duties. The powers and duties of the Board of Directors are:

(a) Management of corporate affairs. To conduct, manage, and control the business and affairs of the corporation and to make rules and regulations therefor consistent with the Articles of Incorporation and the Bylaws;

(b) Selection and removal of officers, agents, and employees. To select all the other officers, agents, and employees of the corporation, to remove them at pleasure, either with or without cause, to prescribe for them duties consistent with the Articles of Incorporation and the Bylaws, and to fix their compensation.

(c) Authorization of signatures. From time to time to designate one or more persons authorized to sign or endorse checks, drafts, or other orders for the payment of money, issued in the name of or payable to the corporation.

(d) Fixing principal office and place of meetings. From time to time to change the location of the principal office of the corporation in the County of Los Angeles and from time to time to designate any place within or without the State of California as the place at which meetings of the Board of Directors or of the members shall be held.

(e) Grants and contributions. To make grants and contributions out of the funds of this corporation to other organizations as more specifically described in Article VIII of these bylaws.

(f) General powers. Generally to exercise such powers and duties as are usually vested in directors of corporations or authorized by the Corporations Code of the State of California.

ARTICLE III

OFFICERS

Section 1. Enumeration. The officers of the corporation shall be a President, a Vice-President, a Secretary, a Treasurer, and such other officers as are elected by the Board of Directors. Officers shall be elected by and shall hold office at the pleasure of the Board of Directors. When the duties do not conflict, any two or more offices, except those of President and Secretary, may be held by the same person.

Section 2. Powers and duties of the President
The President shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall have general supervision, direction and control of the business of the corporation and its employees and shall exercise such general powers and duties of management as are usually vested in the office of President of a corporation. He shall preside at all meetings of the members and at all meetings of the Board of Directors. He shall receive, deposit, and disburse funds belonging to the corporation.

Section 3. Powers and duties of the Vice-President.
In the absence or disability of the President, the Vice-

President shall perform all of the duties of the President and when so acting shall have all the powers of and be subject to all of the restrictions upon the President. The Vice-President shall have such other powers and perform such other duties as are prescribed for him from time to time by the Board of Directors.

Section 4. Duties of the Secretary. The Secretary shall:

(a) Minutes. Keep full and complete minutes of the meetings of the Board of Directors and of the meetings of the members and give notice, as required, of all such meetings;

(b) Books and other records. Maintain custody of and keep the books of account and other records of the corporation except such as are in the custody of the Treasurer;

(c) Membership book. Keep at the principal office of the corporation a membership book containing the name and address of each member and in any case in which a membership has terminated recording such fact, together with the date on which the membership ceased;

(d) General duties. Generally perform all duties which pertain to his office and which are required by the Board of Directors.

Section 5. Duties of the Treasurer. The treasurer shall perform all duties which pertain to his office and which are required by the Board of Directors.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Quorum. A majority of the members present in person or represented by proxy shall constitute a quorum. The members at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 2. Place of meeting. Meetings of the members shall be held at the principal office of the corporation or at such place within or without the State of California as is designated by the Board of Directors or by the written consent of all the members, given either before or after the meeting and filed with the Secretary of the corporation.

Section 3. Annual meetings. A regular annual meeting of the members shall be held on May 10th in each calendar year commencing with the year 1972 at the principal office of the corporation. If the day so designated is a legal holiday, the meeting shall be held at the same hour on the next succeeding business day.

Section 4. Special meetings. Special meetings

of the members may be held at any time for any purpose or purposes. Such special meetings may be called at any time by the President or by the Board of Directors or by any one or more members of the Board.

Section 5. Adjourned meetings. Any meeting of the members, whether or not a quorum is present, may be adjourned from day to day or from time to time by a vote of the majority of the members who are either present at the meeting or are represented by proxy. The motion for adjournment shall be recorded in the minute book of the corporation.

Section 6. Notice of regular or special meetings. Written notice specifying the place, day, and hour of any regular or special meeting, the general nature of the business to be transacted thereat, and any other matters required by law, shall be given to each member of record entitled to vote, either personally or by sending a copy whereof by mail or telegraph, charges prepaid, to his address appearing on the books of the corporation or theretofore given by him to the corporation for the purpose of notice or, if no address appears or has been given, addressed to the place where the principal office of the corporation is situated. It shall be the duty of the Secretary to give notice of each annual meeting of the members at least ten (10) days before the date on which such meeting is to be held, and if not so given it may be given by any officer or member not less than seven (7) days before such date. Whenever an

officer has been duly requested to call a special meeting of members it shall be his duty thereafter to give notice of such special meeting to be held upon such day and at such hour as he specifies, not less than ten (10) days and not more than sixty (60) days after the date of receipt of such request. If such notice is not given within seven (7) days after such special meeting has been duly requested and the date and hour of such meeting may be fixed by the person or persons calling or requesting the meeting and notice thereof shall be given by such person or persons not less than seven (7) nor more than twenty-one (21) days before the date on which the meeting is to be held.

Section 7. Notice of adjourned meetings. It shall not be necessary to give any notice of the time and place of any adjourned meeting or of the business to be transacted thereat other than by announcement at the meeting at which such adjournment is taken, except that when a meeting is adjourned for thirty (30) days or more notice of the adjourned meeting shall be given as in the case of an original meeting.

Section 8. Proxies. The appointment of a proxy or proxies shall be made by an instrument in writing executed by the member or his duly authorized agent and filed with the Secretary of the corporation. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless the member executing it specifies therein the length of time for which it is to continue in

force, which in no case shall exceed seven (7) years from the date of its execution. At a meeting of members all questions concerning the qualification of voters, the validity of proxies, and the acceptance or rejection of votes, shall be decided by the Secretary of the meeting unless inspectors of election are appointed pursuant to Section 2232 of the Corporations Code of the State of California, in which event such inspectors shall pass upon all such questions and shall have all other duties specified in said section.

Section 9. Consent of absentees. The transactions of any meeting of members, either annual, special, or adjourned, however called and noticed, shall be as valid as though had at a meeting held after regular call and notice if a quorum is present and if, either before or after the meeting, each member, not present in person or by proxy, signs a written Waiver of Notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Action without meeting. Any action which, under the provisions of the Corporations Code of the State of California, may be taken at a meeting of the members may be taken without a meeting if authorized by a writing, signed by all of the members and filed with the Secretary of the corporation.

ARTICLE V

MISCELLANEOUS

Section 1. Annual report dispensed with. The sending to the members of the annual report otherwise required by Sections 3006 et seq., of the Corporations Code of the State of California is expressly dispensed with.

Section 2. Representation of shares of other corporations. The President acting alone, either in person or by proxy designated in a written instrument duly executed by said President, is authorized to vote, represent, and exercise, on behalf of this corporation, all rights incident to any shares of any other corporation standing in the name of this corporation.

ARTICLE VI

SEAL

The corporation shall have a seal containing the words Friends of the International Ocean Institute Incorporated December 20, 1971, California, being the same as that imprinted on the margin hereof.

ARTICLE VII

AMENDMENTS

Section 1. By members. These bylaws may be amended or repealed or new or additional bylaws may be adopted by the vote or written consent of members entitled to exercise a majority of the voting power of the corporation.

Section 2. By directors. These bylaws may be

ARTICLE V

MISCELLANEOUS

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ARTICLE VI

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ARTICLE VII

AMENDMENTS

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Section 2. By directors. These bylaws may be

amended or repealed or new or additional bylaws may be adopted by the vote or written consent of the Board of Directors. The power hereby delegated may be revoked by a vote of the majority of the members authorized at the time to exercise voting rights.

ARTICLE VII

GRANTS AND CONTRIBUTIONS

Section 1. Power of Directors. The making of grants and contributions and otherwise rendering financial assistance for the purposes expressed in the Articles of Incorporation shall be within the exclusive power of the Board of Directors.

Section 2. Grants to other organizations. In furtherance of the corporation's purposes, the Board of Directors shall have power to make grants to any organization organized and operated exclusively for charitable, scientific, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 or the equivalent provisions of successor statutes.

Section 3. Approval of requests. The Board of Directors shall review all requests for funds from other organizations, shall require that such requests specify the use to which the funds will be put, and if the Board of Directors approves the request, shall authorize payment of such funds to the approved grantee.

Section 4. Accounting by grantees. The Board of Directors shall require that the grantees furnish a periodic accounting to show that the funds have been expended for the purposes which were approved by the Board of Directors.

Section 5. Rejection of requests. The Board of Directors may in its absolute discretion refuse to make any grants or contributions or otherwise render financial assistance to or for any or all the purposes for which funds were requested.

Section 6. Solicitation of funds for approved grants. After the Board of Directors has approved a grant to another organization for a specific project or purpose, the corporation may solicit funds for the approved project or purpose of the other organization. However, the Board of Directors shall at all times have the right to withdraw approval of the grant and to use the funds for other charitable, scientific, or educational purposes. Contributions so earmarked that they must in any event go to another specified organization shall not be accepted by this corporation.

KOZAK, SCHWARTZ & CO.
CERTIFIED PUBLIC ACCOUNTANTS

310 MADISON AVENUE, NEW YORK, N.Y. 10017, MURRAY HILL 2-6545

July 9, 1976

Mrs. Elisabeth Borgese
c/o The Fund For The Republic
P. O. Box 4068
Santa Barbara, Calif. 93103

Dear Elisabeth:

Enclosed herewith is a copy of a letter I propose to send to Prof. Ganado. Would you kindly review it, and let me have your comments by phoning me on Tuesday next, as I will be out of the office on Monday.

If it meets with your approval, or if you care to make some changes, I will then forward it to Prof. Ganado. Perhaps we can avoid the trip to London, if we can at least begin to have a meeting of the minds.

Talk to you soon.

Sincerely,


KOZAK, SCHWARTZ & CO.

Aaron Kozak

AK/il
encl.

KOZAK, SCHWARTZ & CO.

CERTIFIED PUBLIC ACCOUNTANTS

310 MADISON AVENUE, NEW YORK, N. Y. 10017, MURRAY HILL 2-6545

Prof. J. M. Ganado
171 Old Bakery Street
Valletta, Malta

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From our point of view, it would be highly desirable to somehow find a way to let stand the documentation originally supplied you. That is to have IOI be the author.

Will the following information and revisions, alter your thinking regarding "Exchange Control and Malta Income Tax Consequences?"

The International Ocean Institute, you may recall, sponsored the conference in Okinawa last year. In so doing, it borrowed \$ 40,000 to pay for the cost of the conference. It will be necessary that the first proceeds from the book "THE DRAMA OF THE OCEANS", be used to liquidate that obligation.

I would appreciate your comments on the following suggested modifications: If, instead of an assignment by the IOI to the Friends of the IOI, as proposed, that the IOI sell all of its right, title and interest, as author, to the Friends. The consideration would be the Friends assuming the \$ 40,000 obligation and an agreement to pay within a period of one year, an additional sum of \$ 5,000. From your letter, I gather we would thus avoid any Malta income tax. Would we also escape

Prof. J. M. Ganado

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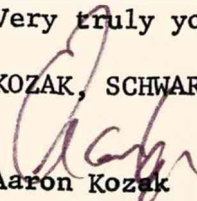
the Exchange Control Regulations? If not, could you suggest any further modification that might accomplish our purpose? As far as the donation is concerned, I have been informed that Mrs. Borgese is in fact an officer of the IOI. If such is the case, could we not take the position that an employer-employee relationship did exist?

I would appreciate your early comments, and I would be more than happy to meet in London, at some later date, after your preliminary evaluation.

Thank you very much.

Very truly yours,

KOZAK, SCHWARTZ & CO.


Aaron Kozak

AK/il

cc. E. Borgese