

LEONARD MONAGHAN LETTER

Store Manager and ANICA Director

Gentlemen:

This is an appeal to you as store manager and director of the ANICA stores.

In Re: To dismiss Winfield Ervin Jr., the present general manager of Alaska Native Industries Cooperative Association.

Four months ago I, Leonard L. Monaghan, was employed by ANICA as a store advisor. My qualifications were three years of college and general business experience. I am an Athabascan Indian from Fairbanks and the nephew of Ralph Perdue, known to many of you.

As store advisor I traveled to a number of member stores and much to my surprise, learned that general manager Mr. Ervin was paying the store managers less than state minimum wage, in direct violation of law. The store managers were getting generally, \$1.25 an hour, whereas the legal minimum rate is \$2.25 per hour. Therefore, during my tour, I raised the managers wages to what I thought approximated the legal minimum rate.

When I got back to Seattle Mr. Ervin called me to account and said I was "moving too fast and the natives had to walk before they could run." In answer to this I told him "the natives have been walking for 30 years. When do they run? I am merely trying to meet the standard of wages fixed by law." I was then told "they have been getting along for 20 years without you and they will get along for another 20 years without you."

The ANICA stores were established as a result of a very wonderful law called the Indian Reorganization Act enacted by Congress in 1934 and extended to Alaska in 1936. This law was designed to be a training ground for natives to become accustomed to business. So far the ANICA central organization has never given this opportunity to natives, except in a minor way. From the beginning, this central organization has been "for whites only." I say that the general manager, including the present one, is both arrogant and dictatorial, so he feels that he can fire me for raising your pay to meet the legal standards and for approving minor labor improvements in your stores.

Are we to assume that we do not wish the Seattle office to employ natives but to give these jobs from top to bottom to "whites only?" In a business that grosses over one million dollars annually and doing business in more than 60 villages, don't you agree that you should do something to better this situation?

Mr. Ervin likes to tell us that he controls the government loans (which now amount to about \$400,000) and he gives you the impression that he can freeze your bank account. The Board of Directors is in control of ANICA, and that means you! Anytime the general manager injures a store or injures the entire system by enforcing such threats, he is working directly against your interest.

I say you have nothing to fear from any effort on his part to injure your store or injure you. Once we get the idea that the dictatorship is one that we have created and therefore can take away, then we acquire a freedom and we can establish ANICA for the benefit of the natives from the top to the bottom.

Don't you think that after 30 years you should be getting more than your "hand to mouth" returns? Can you imagine Sears and Roebuck being satisfied with annual store earnings of \$76.00 per month? This is the ANICA average for each store, in spite of the fact that Congress has given us tax immunity from federal and state and has provided money at a very low interest rate. This means that ANICA stores can charge less than their competitors who have a federal corporate tax of 46%, from which ANICA is exempt.

You owe the government about \$400,000 on which you are charged interest at the prevailing government rate, which has increased from 1% to the present 5½%, in spite of the fact that you have your own reserve fund, said to be in excess of the government debt.

You have a choice: You can continue under the miserable sub-standard pattern that has prevailed for more than 20 years, with of course no hope of improvement, while managers follow each other in endless succession, living above their income standard merely because they have a white collar job;

OR: You can gather in convention and reorganize your entire setup from top to bottom, unless of course you are afraid, a conclusion that I am not willing to accept.

I have been in consultation with some of our best well-known Indian leaders and they agree with me that the time has come when such a convention of village leaders should reorganize the corporation, even though you have just had your annual meeting.

I say this because the Seattle office has just sent out a letter, telling the ANICA president that ANICA is reorganizing. But, when I consider the many years ANICA has existed merely to enrich such men as Winfield Ervin and his predecessors, I can say for a certainty that he will sit on his present throne until death removes him, at which time the "power behind the throne" will exalt the newly appointed heir.

A suggestion that occurs to me which I hope you will discuss, follows: Don't you think that your business could be improved by removing your central office to Anchorage or Fairbanks? Each store manager and the councilmen could have ready and frequent access to visit your central office, in contrast with the present situation in which your general manager might as well be in Japan.

I am inviting personal and immediate responses from you and your elective leaders, store managers and friends, including Danny Lisborn, Ralph Perdue, Emil Notti, Richard Frank, John Sackett, William Hensley, and other statewide leaders.

Now is the time for ALL natives to come to the aid of their party!

Sincerely yours,
Leonard L. Monaghan