STATE LABOR DEP'T: ANICA'S MAIN OFFICE SHOULD BE HERE

J. Stringer Investigates ANICA, Also Calls for Immediate Board Meet

John Stringer, supervisor of the Division of Labor Law Enforcement of the State Department of Labor, has just completed his report of his department's investigation of the Alaska Native Industries Cooperative Association (ANICA).

In his recommendations to Commissioner Thomas J. Moore of the State Labor Department, John Stringer said that the ANICA general manager's office should be moved from Seattle to Faribanks.

He also recommended that the ANICA store managers and the ANICA executive board should call a meeting immediately to determine the future goals of ANICA.

Indicating strongly that ANICA might be violating the provisions of the Alaska Wage and Hour Act, Stringer said: "It is my opinion that ANICA as a whole, is the employer and that the individual store managers are employees of ANICA and are, therefore, subject to the provisions of the Alaska Wage and Hour Act.

"Therefore, it is my determination that each store manager should receive the Alaska minimum wage of $2.10 per hour."

Stringer said that although the village councils are "supposedly" charged with the responsibility of setting store hours and managers' salaries, this only adds weight to the argument that ANICA, as a whole, is the employer.

He said it was also extremely interesting to note that those ANICA stores without Bureau of Indian Affairs loans are on a much sounder economic base than those stores with BIA loans.

"It is also interesting to note that those stores without BIA loans have some degree of responsibility for establishing wage scales and work conditions, while those stores with BIA loans have no control over this

(Continued on page 6)

ANICA Stores . . .

(Continued from page 1)

type of decision," Stringer stated.

As incidental information, Stringer said, the ANICA stores are required to purchase their stocks through the Seattle office and are normally not allowed to purchase locally.

He said that when the various store managers were asked as to the reason for their low stock and why a local, privately owned store was doing well in competition with the local ANICA store, the reply generally was that between credit on the

that between credit on the books, the amount necessary to pay back the original loan, plus any other operational or administrative costs, there wasn't enough money left to place anything but a small order to replace diminishing stock items.

"This kind of operation, of course, is akin to borrowing just enough money at the bank to open your doors to do business and insure that you will go broke, the loan not being large enough on the first hand or lengthy enough in time for repayment on the second," said Stringer.

He said the following was found to be the general case in all stores:

On food stuffs, clothing, and suchother basic items, the markup above all costs would amount to 35 percent.

This means that if a particular item cost a certain store $50 in Seattle, plus the $10 (10 percent) to ANICA for handling the item then cost the ustimate purchaser in the local store $148.50.

The $38.50 that might be considered profit from this total of $148.50 would then have to be apportioned out to pay back their loan, plus itnerest, and whatever was left over, hopefully to purchase new stock.

"Therefore," Stringer continued, "unless a new loan is instigated, the local store could not be able to replenish their stock at but a small per cent of their original order.

"Add to this the amount of credit that would probably be on hte books, plus poor management and other business risks, and it is easy to see why the ANICA movement is successful only in a few instances".

"This brings me," he went on, "to my summary conclusions regarding the ANICA organization. As already stated, it is my determination that the ANICA store managers arecovered under the Alaska Wage and Hour Act. However, before ANICA can pay the Alaska minimum wage to its employees, it must first have the operatinf gunds to do so.

"In my opinion, the only way for ANICA to operate effectively and in a business-like manner is for the operation to become a PRIVATELY-OWNED NATIVE COOPERATIVE in the true sense of the word."

The following are John Stringer's recommendations:

—The ANICA general manager's office should be moved from Seattle to Fairbanks.

—An independent audit of ANICA should be conducted to determine actual assets and liabilities.

—All BIA loans should be retired as soon as possible.

—A managers' training program should be extablished.

—A managers' and executive board meeting should be called immediately to determine the future goals of ANICA.

—An independent general mamager, whose goal it would be to put ANICA on a private, paying basis, should be hired.

"I feel that by implementing these initial steps," John Stringer concluded, "ANICA can be put on a paying basis as a privately-owned native cooperative.

"The native people could then achieve the economic independence which would allow them to control their own destinies and be part of a privately-owned, paying cooperative."