

April 24, 2004

Maitre Berge Setrakian  
Chairman  
AGBU CENTRAL BOARD  
New York

OPEN LETTER

As I understand it, you are very particular and demanding to be addressed as “Maitre” instead of “Sir”. In compliance with your ‘wish’, I have put the correct title.

But, what about the ‘wishes’ of Agha Krikor and Agha Garabed Melkonian, the greatest Armenian Benefactors of the 20th Century? Are you and your ‘master instigator’ Mrs. Louise Simone-Manougian respecting their wishes and their Will?

What about the ideals and the vision of Boghos Noubar Pasha, the founder of our beloved AGBU? Are you both and members of the Central Board respecting the great benefactor’s wishes?

Furthermore, what about the ideals of the AGBU Benefactor Mr. Alex Manougian? Did you not learn anything from this great gentleman? Apparently, he used to shed tears when an Armenian school in the Diaspora was doomed for closure, as a last resort, despite the fact that the school in question could not have been as significant and vital as the Melkonian Educational Institute.

Finally, what about democracy? Do you have any respect at all towards this ideology? The USA is striving to protect this great idea and way of life, whereas in the very heart of New York, you have abolished the essence of democratic election process within the AGBU. You have and still are abusing your ‘position’ by turning the AGBU into a secret establishment, taking important decisions against our people behind closed doors, totally ignoring the public opinion and the electorate of the Chapters of AGBU. In a matter of this importance, if your reasons for the closure were genuine, you should have put the case in a referendum to the Armenians in the Diaspora requesting for their financial and moral support.

This is democracy!

It is a fact that, you and the members of the Central Board have not been democratically elected, in accordance with the by-laws of the AGBU. Over the past 15 years, you personally and emphatically encouraged the AGBU Chapters world-wide for the elimination of the democratic process of elections of the Central Board, in order to have a “Carte Blanche” for the affairs of the AGBU, without being accountable to anybody. At the present, you nominate each other and thus have transformed this great organization into a “private club” in a totalitarian atmosphere. In other words, you and your ‘honorable’ colleagues are acting illegally. Is this the legacy of our founder Boghos Noubar Pasha?

Your recent actions have proven beyond any reasonable doubt, that you have shown no respect towards any of the AGBU Benefactors’ wishes and wills, especially that of Melkonian Brothers. Practically you have utterly betrayed the trust of our Benefactors bestowed upon AGBU. So far as our Diaspora in concerned, this evil contemplation of yours for the closure of this vital establishment called ‘Melkonian Educational Institute’ could easily be considered as an act of ‘treason’ against our present and future generations and our nation as a whole.

**In order to justify this extremely damaging notion, you and your master have deliberately misled our nation by withholding vital information and spreading totally unfounded reasons for the closure of the Institute. And now you are about to give the ‘coup de gras’ to this important educational establishment. How can you and your colleagues run a humanitarian organization such as the AGBU on lies and deception?**

**First and foremost, you do not own the Melkonian Educational Institute. AGBU is merely there as “Trustee” or the “Custodian” of the will the two brothers left to our nation. They were sincere believers of Boghos Noubar Pasha’s vision. This was the only reason they trusted their will to AGBU. Therefore, you are there to fulfill the “wishes” of the benefactors by undertaking the maintenance and the well-being of the Institute for the benefit of our generations to come, in order to preserve our national identity and culture to the best of our abilities.**

## **FINANCES OF MELKONIAN EDUCATIONAL INSTITUTE**

**You have claimed time and time again that MEI is incurring losses and that AGBU cannot continue to sustain the maintenance and the running of the Institute and for this reason, you are taking firm measures to close down the Institute.**

**This declaration of yours is total and utter nonsense!**

**Mr. Haigashen Ouzounian categorically denies this false statement of yours and has proved otherwise in his two declarations. He is of the firm opinion that MEI is actually a self-sufficient Institution and it is not in any way a burden to AGBU, as you blabber about it all these years. After all, M. H. Ouzounian was the only person in the Central Board, who meticulously looked after the interest of MEI. He is a ‘Melkoniantsi’ and has respect towards our Benefactors and knows the importance of MEI.**

**Albeit, let us examine the facts closely.**

**First of all, let us assess the extent of the wealth Agha Krikor and Agha Garabed Melkonian left in 1925.**

**The vast land and the construction of buildings on the premises did cost £30,000.00 at the time. The entire estate comprised of: two main buildings, the villa, the kitchen and teacher’s quarters, the water tower, the clinic, the swimming pool, another residential compound opposite the villa, the compound of the mechanical department, the stables, the pigsty, the football, basket ball and volley ball grounds etc.**

**The actual land extended to the opposite side of the conifer forest in front of the main buildings, which was ‘disposed’ of years ago. No accounts were published by AGBU to this effect. To the best of my knowledge, the Management of MEI and the Central Board failed to declare the reasons for the sale and did not disclose the amount of the proceeds and where the revenues were allocated.**

**The two Benefactors also left a cash fund of approximately £700,000.00 (Pounds Sterling) in 1925. This was an enormous sum of money at the time, which could be valued in modern terms at least £1,500,000,000.00 (one and a half Billion Pounds Sterling or about 2.7 Billion U.S. Dollars). That was the buying power of the amount left for the maintenance and running of the MEI in present conversion.**

**During 1960’s the above amount, which was in a Bank in Switzerland, was converted into US Dollars equivalent to US\$ 5,500,000.00, because the Central Board decided to keep the books in U.S. Dollars.**

**I am sure everybody will observe the enormous deficit incurred on the amount left by the Benefactors. It is apparent that the Central Board of AGBU has done absolutely nothing for the protection of the value of these funds.**

**In a normal business if the management failed to preserve the wealth of a company, they will be sacked immediately, whereas you, as member of the Central Board, are still there...**

**As trustees of the will, the AGBU Central Board and the Management had the duty and obligation to protect the value of these funds, which was donated for a divine cause, that is, to extend good education to generations of young Armenians. Over the past 80 years no action whatsoever has been taken towards this commercially important aspect. It is common sense, nothing more nothing less! I have no doubt in my mind that had it been your own personal wealth, you would have done everything in your power for the preservation of such funds. It is most unfortunate that the Central Board solely has relied on the interests received from the Bank for the running of the Institute. Is this right in your opinion, Maitre Setrakian?**

**As I recall, in the early 1960's the total budget of MEI was about £110,00.00 for the whole year, when the majority of the students did not pay any tuition fees nor for any other necessities. However, the interest accrued during the same period was believed to have been much higher. The unused portion of the interest was not accumulated towards the growth of the MEI capital. Apparently, the surplus of interest was allocated to other AGBU schools in the Middle East.**

**Of course it is difficult to demonstrate the exact figures, because AGBU has never published a Balance Sheet of MEI to the Armenian people in the Diaspora, who are the rightful proprietors and heirs of the Institute. The Armenian people had and still have the moral right to see the accounts of Armenian Trusts, because such trusts are created for our people and that the activities and transactions should be in the public domain and those responsible should be accountable.**

**From these facts one would only conclude that over the past 8 decades the management of AGBU has utterly failed in its mission, especially making a mess of the wealth of Melkonian Brothers, by not only letting the very large amount left in their trust devalued to a mere 5.5 million Dollars, but also for taking such a ludicrous decision for the closure of MEI. In other words, you have utterly betrayed the trust bestowed upon you by the Benefactors and the Armenian nation in general.**

**What are you trying to hide, Maitre Setrakian? The Armenians would like to know the truth.**

**It is not an easy task to occupy and chair an important establishment such as the AGBU. One must have total dedication towards the ideals of our founder Boghos Noubar Pasha, with absolute integrity, fairness and firm belief in the education of our young generations. Your past and present records towards these goals simply demonstrate total absence of these virtues apt for a leader. Your irresponsible approach to our national interests has failed you in winning the trust of our people at large.**

**Now let us sum up some figures to ascertain the self-sufficiency of MEI, which you so vehemently deny.**

**The figures I have taken are the minimum achievable amounts, although it is highly probable that they are much higher in actual fact.**

**Approximate revenues:**

- TUITION FEES: ABOUT US\$ 500,000.00**
- REVENUES (RENT FROM LEASE): ABOUT US\$ 500,000.00**
- GRANTS (CYPRIOT GOVERNMENT): ABOUT US\$ 140,000.00**
- SCHOOL CHARITABLE ACTIVITIES: ABOUT US\$ 50,000.00**

**SUB. TOTAL: ABOUT US\$ 1,190,000.00**

- INTEREST @4% ON US\$ 5,500,000.00: ABOUT US\$ 220,000.00**

**TOTAL: ABOUT US\$ 1,410,000.00**

**Note: It has been said that the government of Cyprus will increase their annual grant by at least US\$ 75,000.00 and perhaps even more. Furthermore, now that Cyprus has joined the European Union, substantial educational grants could be allocated to MEI under EU rules. Perhaps now is the ideal time to transform the MEI into an international College or University.**

**Mind you, you have declared the annual budget of MEI to be US\$ 1,250,000.00, in other words, US\$ 6,000.00 per student.**

**In view of the above and without going any further one can observe that MEI is really self-sufficient financially.**

**Nevertheless, let us explore the possibilities of generating additional revenues, by cutting down on the expenditure.**

**The main expense lies on the annual salaries of the principal (US\$ 100,000.000) and the teaching staff consisting of 30-35 teachers.**

**The principal's remuneration is exorbitant considering the standard of living in the Middle East. This could be cut down by at least 50% to US\$ 50,000.00.**

**Secondly, considering the number of students and the number of classes, it is not feasible to keep an army of teachers, who are mostly employed on the basis of favoritism.**

**It is not difficult to demonstrate the actual number of teachers required for MEI, which should not exceed 18 teachers, based on their contractual terms and conditions.**

**By adopting this method, the expenditure on teachers' salaries could be reduced by about US\$ 300,000.00 per annum.**

**Food for the boarding students was about C£0.72 per head per day about 10-12 years ago. If one takes the inflation factor into account, it should now read something around C£1.10 to C£1.20 per head per day. For about 200 students this should reflect at about C£230.00 or US\$ 460.00 per day, which should come to about C£62,100.00 or US\$ 124,200.00 per year considering only 9 months of school.**

**Maintenance of the school, including eventual repairs, should not exceed US\$ 100,000.00 per year annum.**

**Therefore, considering the above, MEI's annual EXPENDITURE should read as follows:**

- SALARIES: ABOUT US\$ 432,000.00**
- FOOD: ABOUT US\$ 124,200.00**
- MAINTENANCE: ABOUT US\$ 100,000.00**

**TOTAL EXPENDITURE: ABOUT US\$ 656,200.00**

**Let us add another US\$ 100,000.00 for the margin of errors and omissions, THE MAXIMUM EXPENDITURE OF MEI SHOULD NOT EXCEED US\$ 756,000.00 PER YEAR.**

**Therefore:**

- **TOTAL MINIMUM INCOME: ABOUT US\$ 1,410,000.00**
- **TOTAL MAXIMUM EXPENDITURE: ABOUT US\$ 756,000.00**

**TOTAL SURPLUS: ABOUT US\$ 654,000.00**

**As per this demonstration and taking into account the two declarations of Mr. Haigashen Ouzounian, Melkonian Educational Institute is totally self-sufficient establishment and that your declaration that MEI is a ‘burden’ to AGBU is totally unfounded.**

**If you and your master want to feel ‘great’, why don’t you close down one of Mary Manougian schools? Their annual budget and expenditure is four times greater than MEI and the final outcome of preparing good Armenians for the preservation of our national culture and identity cannot be compared with that of MEI. :**

### **STANDARD OF EDUCATION**

**With some genuine dedication to this matter, I cannot see any reason why the standard of MEI should not be at its highest level. This entails the ability, knowledge and understanding of the Educational Department of AGBU, in preparing a proper curriculum for MEI, appoint a good and devoted Principal, who should be well aware of our culture in all its aspects and that of the education system of the United Kingdom, together with a good teaching staff. Once these are achieved, then the time table should be prepared to contain Armenian language and literature, Ancient Armenian, Armenian History and Geography, Armenian Music and dances, along with the requirements for GCE ‘O’ and ‘A’ level subjects. When AGBU appoints an opportunist Principal who is ignorant about our language and culture, and teachers are recruited on the basis of favoritism, it is only natural that the result and the standard of the Institute will be poor.**

**This is not the big issue and can be achieved, provided there is goodwill and determination to preserve and honor the Benefactors wishes.**

**The main issue now is the indifference and the destructive policies of the Central Board under your ‘leadership’. These are extremely counterproductive so far as our present and future generations are concerned. With this sort of mentality and foolish actions, we shall lose our identity as Western Armenians forever. This cannot and should not be tolerated at any cost.**

**The message is clear Maitre Setrakian. The closure of MEI has now become an international issue and whatever evil actions and more lies you are contemplating about, you should be very careful indeed, because you and your colleagues will be held fully responsible as ‘criminals’ and ‘traitors’ of our nation.**

**I am sure, the Ottomans would have honored you handsomely for the continuation of the destruction of our people through your ‘charitable’ deeds.**

**Yours truly,**

**Dikran Vorperian  
London**