

SCOMM

65:22



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

MEMORANDUM

TO: The Honorable George Jacko, Jr.
Alaska State Representative
Chair: Foreign Trade Panel

DATE: 1/17/89

The Honorable Mike Davis
Alaska State Representative

The Honorable Cliff Davidson
Alaska State Representative

FROM: Connie Stewart
Protocol Officer *CS* 465-3855
Governor's Office of
International Trade

SUBJECTS:
Meeting with
Bob Poe, OIT

Soviet meeting

For your information, after our meeting this morning, I talked briefly with Bob Poe, OIT, and learned that he will be in Juneau on the 25th and 26th of this month. Bob has requested a meeting with the House committee on International Trade sometime on the 26th. Also, with others who might be interested, to be included in that meeting or at another time that day. Would you please let me know when it would be convenient for him to meet with the committee? I will be acting as his liaison, setting up his schedule, in cooperation with his secretary, Sue Kinney (Anchorage 561-5585).

Bob informed me that he will do all the testifying for OIT; that he can always be reached via telecommunications; that he will try to come to Juneau for a couple of days the first and third week of each month.

He will be meeting on the 25th with Mary Halloran, OMB, and with members of the Senate Special Committee on International Trade and Tourism. He will be talking about the unitary tax bill.

SOVIET DELEGATION: arr. Juneau 9:45 a.m. 2/21/89

I will be meeting with Sue Sutton, Garrey Peska's secretary, at 11 a.m. Wed 18th to begin planning the hospitality for the Soviet delegation arriving Juneau the morning of Feb. 21st. Garrey and Bob are looking at the possibilities of the delegation meeting a joint session of the Legislature, a joint session of international trade committees and possibly the leadership. Sue and I will be working on the plans for an evening reception, to be held either at the Governor's House or at Centennial Hall, the invitation list, hotel accommodations, etc.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

MEMORANDUM

TO: Garrey Peska
Members of the Joint
Foreign Trade Committees

DATE January 26, 1989

FROM: Sue Goodale *SGS*
Executive Secretary
Office of the Governor

SUBJECT: Soviet Delegation
Visit February 21

*Deputy
Terrance O'
Malley*

This is to summarize last week's discussion and provide options regarding the Soviet delegation's visit to Alaska February 21. Our visitors include Governor Kobets of Magadan Territory, Mayor Kulinkin of Provideniya, Soviet Supreme Member N.P. Otke from Anadyr, Ambassador Gennadi Gerasimov, Russian Federation President Vorotnicov, and Mr. Primakov, Director, Soviet Committee for Economic Cooperation in the Asia Pacific. There will be six (6) government leaders and probably an interpreter.

PROPOSED ITINERARY

Tuesday Feb 21

8:15 a.m. Lv Anchorage via AS #62

9:45 a.m. Ar Juneau

Welcoming committee to meet plane (including Mayor Botelho)

**

10:30 a.m. Introductions in (each) House and Senate (they may need to convene specifically for this purpose).

**

SEN SESSION

11:00 a.m. Delegation to attend joint session of foreign trade committees (all Legislators invited). Garrey Peska to present video and host question and answer period. Location to be determined.

**

12:00 noon Lunch at Governor's House. Invite whom?

**

January 26, 1989

JOINT TRADE Ctr meeting

- 1:30 p.m. - Free time for sightseeing, shopping, and
5:00 p.m. visiting local businesses of interest,
including hatchery, seafood processing plant,
Chinook Brewery, glacier, Fred Meyer, Nugget
Mall. Gov to Gov mtg time.
**
- 5:30 p.m. - Public reception at Centennial Hall. Enter-
7:00 p.m. tainment provided by Native dancers, Bruce
Botelho's folkdancers, and songs by grade-
schoolers. Special invitations to be sent to a
selected group.
**
- 10:00 p.m. Official activities ended. Remain overnight at
Baranof Hotel.

* * * * *

FUNDING

Round trip airfare Anchorage/Juneau for government leaders and interpreter to be paid by an equal contribution from both House and Senate. Garrey Peska will call Bruce Kennedy of Alaska Airlines and will have a report at the next meeting.

Hotel, reception(s), ground transportation, and other miscellaneous expenses in Juneau - to be paid by Governor's Office.

ASSIGNMENTS

Bob Evans to make arrangements for gallery space during introductions in both House and Senate.

cc: Bob Poe
Bob Evans
Connie Stewart
Mike Nizich



Official Business

Alaska State Legislature

House of Representatives

P.O. Box V
State Capitol
Juneau, Alaska 99811
907-465-4942

Special Committee On Foreign Trade

TO: All Interested Legislators

FROM: Rep. George Jacko, Jr.
Chairman
House Special Committee on Foreign Trade

DATE: February 17, 1989

SUBJECT: Soviet Visit

✓ *recorded*

On Monday, February 20, there will be an informal gathering in the Beltz Room at noon to discuss the upcoming Soviet visit of Tuesday, February 21. We will discuss who is coming and why they are coming.

Connie Stewart of the Governor's office will go over some protocol issues that could prove very helpful to us. And Rebecca Himschoot, a House page, has offered to teach us some useful Russian words and phrases.

Please join us on Monday if you can.

JOINT COMMITTEES ON INTERNATIONAL TRADE
FEBRUARY 21, 1989
1:30 P.M.
HOUSE FINANCE COMMITTEE ROOM

AGENDA

- | | | |
|------------|--|---|
| I | OPENING COMMENTS | REP. GEORGE JACKO, JR.
SEN. MIKE SZYMANSKI |
| II | REMARKS AND
VIDEO PRESENTATION | GARREY PESKA |
| III | OPEN DISCUSSION;
QUESTION & ANSWER PERIOD | |

STEVE COWPER
GOVERNOR



RECEIVED FEB 7 1988

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

MEMORANDUM

TO: Garrey Peska
Members of the Joint
Foreign Trade Committees

DATE: February 3 1989

FROM: Sue Goodale *SG*
Executive Secretary
Office of the Governor

SUBJECT: Soviet Delegation
Visit February 21
Update

This is an updated itinerary for the Soviet delegation (now possibly up to eight members) coming to Juneau February 21st.

PROPOSED ITINERARY

Tuesday Feb 21

8:15 a.m.	Lv Anchorage via AS #62
9:45 a.m.	Ar Juneau Welcoming committee to meet plane (including Mayor Botelho) **
10:30 a.m.	Introductions in House (they will convene specifically for this purpose). **
11:00 a.m.	Introductions in Senate. **
11:30 a.m.	Governor Kobets, et al, to meet with Governor Cowper, Garrey Peska at Governor's House **
12:00 noon	Lunch at Governor's House. **

February 3, 1989

- 1:30 p.m. Delegation to attend joint session of foreign
2:30 p.m. trade committees (all Legislators invited).
Garrey Peska to present video and host question
and answer period. To be held in Senate
Finance.
**
- 2:30 p.m. - Free time for sightseeing, shopping, and
5:00 p.m. visiting local businesses of interest,
including hatchery, Capitol Seafoods,
Chinook Brewery, glacier, Fred Meyer, Nugget
Mall, as time allows.
**
- 3:00 - Russian Federation President Vorotnicov, et al,
3:30 p.m. to meet with Governor
**
- 5:30 p.m. - Public reception at Centennial Hall. Enter-
7:00 p.m. tainment provided by Native dancers, Bruce
Botelho's folkdancers, and songs by grade-
schoolers. Booths to be set up depicting
mining, fishing, brewery. Special invitations
to be sent.
**
- 7:00 - Free time (perhaps to be guests in someone's
10:00 p.m. home)
**
- 10:00 p.m. Official activities ended. Remain overnight at
Baranof Hotel.
**

Wednesday, February 22

7:45 a.m. Lv Juneau via AS #73
9:15 a.m. Ar Anchorage

Attached for your information is an overall itinerary of the
delegation's activities upon arriving in Anchorage.

* * * * *

Attachment

(file name: ussr-schedule)

TENTATIVE SCHEDULE
SOVIET-AMERICAN REUNION

as of 2/2/89

MONDAY, FEBRUARY 20, 1989

TBD Soviet delegation arrives Anchorage on Aeroflot

12:30-1 p.m. Arrival Ceremony with Governor Cowper, Mayor Fink,
Dave Heatwole, Dixie Selcher at International Terminal
Denali Room

7-10 p.m. Welcome Reception - Lerane Harrison Lobby - Performing
Arts Center, open to public, food/entertainment
Tickets: \$15 Students: \$5 children: under 12 free

TUESDAY, FEBRUARY 21, 1989

TBD Performers rehearsal day/night

8:15 Departure from hub for Anchorage schools
"Adopt A Soviet" program

8:30 Adopt a Soviet group arrives schools

10:30 Adopt a Soviet group leaves the first school

11-1 p.m. Adopt a Soviet group arrives next schools

1:30 p.m. Adopt a Soviets arrive back to hub (Egan Center)

TBD Soviet political guests *WILL* travel to Juneau
to meet legislators/officials (overnight)

1-4 p.m. Shopping Tour - Northway Mall

WEDNESDAY, FEBRUARY 22, 1989

TBD Performers rehearsal day/night
TBD Soviet political guests return Anchorage
TBD City Tour
TBD Governor Kobets & film crew travel to Kenai/Soldotna
hosted by Kenai/Soldotna Chambers of Commerce

11:30 - 1 p.m.

Business Luncheon for Soviet dignitaries/businessmen
Egan Center - co-sponsored ASCC/Anchorage Chamber
mini-trade show with Magadan businessmen \$16/lunch
\$18/non-members

Guest speaker: Sam Salkin, president, Alaska
Commercial Company

"Soviet-Alaska Trade Relations: Prospects for Trade"

(tentative)

post-luncheon Business Seminar hosted by ASCC
OIT, and ISER at Egan Center on Soviet business
relations

1-4 p.m. Shopping tour - University Center

6-7 p.m. Soviet-American Media Reception, UAA Recital Hall
hosted by Alaska Press Club

7-9 p.m. "The Changing Face of Soviet Journalism" - a press
panel discussion at UAA Recital Hall

THURSDAY, FEBRUARY 23, 1989

TBD Performers rehearsal - day/night

TBD Bering Sea Bridge Expedition team arrives
Anchorage

TBD Shopping Tour:

7 p.m. VIP Reception (invitation only)
hosted by Governor & Mrs. Hickel \$100/couple

8 p.m. Command Performance by Community Theatre at PAC
"Chekov In Yalta"

Reception follows - Anchorage Daily News Lobby

FRIDAY, FEBRUARY 24, 1989

TBD Performers rehearsal - all day - Sullivan Arena

8 p.m. Glasnost Folkfest - Sullivan Arena

SATURDAY, FEBRUARY 25, 1989

TBD Performers rehearsal - all day

6 p.m. Superpower Rock and Roll Concert - Sullivan Arena
(Soviet-American Rock Concert)

midnight Post-concert cast party

SUNDAY, FEBRUARY 26, 1989

noon-4 p.m. Train ride TBD

6:30 p.m. Native cultural performance tentatively hosted by
North Slope Borough TBD

FINAL DINNER

All Saints Episcopal Church & Holy Family Cathedral

MONDAY, FEBRUARY 27, 1989

Morning Soviet delegation departs Anchorage

Dixie Belcher - Chair of Board
- Executive Director

Bell Ruddy

Advisor - Christie Hissburg (Cho-ko)
Charlotte Carol (Vice President Board)

Paul Kennedy (Treasurer - CPA)

8 Sharon Cook (Sec of Bd)

Greg Pease

Nick Coti

Carol Gorganson (ANS - ^{Imp Part} ~~Adm~~ President)
Advisor - Tom Stewart

May 1985

APAP - moved into Toxham

LC. : Sam, Arlin,
1500 - House

1500 - Senate

3000 - total for Sord officials

Foreign Minister for S.A.P. - Gerasimov
Head of Supreme Soviet -

5 or 6 officials

80 or so people total

Funding for Eskimo performance
to come down from ^{Am}

2/28 - All return to USSR
on Aeroflot

2/27 - To Fairbanks for ONE DAY

Marvin Fitzwater (while there / Bush)
Bush + Gerasimov

→ TuChamai : * credit to Thumai
CAMAI

a few
journalists
15
12
37

{ 39 performers ^{Stars}
12 of which are Sub Eskimo)
(15 Petrosky - top folk ensemble)
10 journalists
8 businessmen Magadan
5 officials
2 interpreters

Recent History of Alaska-Siberia Exchanges:

- Alaska Performing Artists for Peace
- Institute for Circumpolar Health - joint research on medical issues
- Geophysical Institute / Polar Geophysical Institute of the Soviet Academy of Sciences
- Friendship Flight in June from Nome to Provideniya
- Soviet Delegation from Mayadan last September
- Governor Cowpers Trade Delegation to U.S.S.R.
- Soviet Ships made port calls to Alaska (2 ships made historic voyage last summer)



Alaska State Legislature

Senator Mike Szymanski

MEMORANDUM

RECEIVED FEB 11 1989

While in Session:
P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-4978/4979

TO: Tim Kelly, President of the Senate
FROM: *Mike Szymanski* Senator Mike Szymanski, Chair, Senate International Trade and Tourism Committee
SUBJ: Soviet Trade Delegation Visit on February 21, 1989
DATE: February 6, 1989

Interim
3111 C Street
Suite 510
Anchorage, AK 99503
(907) 561-7617

165 E. Parks Hwy.
Suite 105
Wasilla, AK 99687
(907) 376-MIKE

In concert with Garrey Peska, Governor's Office; Representative George Jacko, House International Trade Committee; and the Senate Special Committee on International Trade and Tourism, the following Senate participation in the Soviet Delegation visit on February 21, has been developed:

- 1) The Senate and House will share in the cost of transportation for the delegation to travel to Juneau. The cost to the Senate is \$1,500.00.
- 2) The Soviet delegation will be introduced on the floor of the Senate Session at 11:00 a.m. on February 21, 1989.
- 3) The Governor is hosting lunch in the Governor's Mansion at Noon. Invited guests include the Senate President, Speaker of the House and Chairs of House and Senate Trade Committees. ✓ sl
- 4) The Soviet delegation will meet at 1:30 p.m. in the House Finance Room with the House Committee on Trade and the Senate Committee on International Trade and Tourism. All interested legislators are encouraged to attend also. Garrey Peska will do a presentation and will also facilitate the discussion between the Committee members, legislators and delegation members. The Soviet delegation is interested in all areas of exchange from tourism to reindeer meat. ✓ st

cc: Garry Peska, Chief of Staff
Members, Senate International Trade and Tourism Committee
Members, House Committee on International Trade



SOMETIMES A CAR IS A TRUCK: When it is, you'll pay more for it, Business, D-1

FREE SPEECH

Are we willing
to pay the price?

Forum, C-5

SPICE IS NICE

A cook's tour
from ginger to dill

Food, E-1

BIG VICTORY

UAA women
win showdown

Sports, B-1



Anchorage Daily News

VOL XLIV, NO. 53 88 PAGES

ANCHORAGE, ALASKA, WEDNESDAY, FEBRUARY 22, 1989

PRICE 25 CENTS

Soviet traders hit a snag at customs

Soviet tells lawmakers to forget stereotypes

By DAVID POSTMAN
Daily News reporter

JUNEAU — Alaska legislators were told Tuesday they would have to forget their stereotypes of the Soviet Union if they are serious about improving relations with, and making money from, the Soviet Far East.

The message came from Vyacheslav Kobets, governor of the Soviet Magadan Territory, in a speech to the state House that was both stereotypical for a Soviet official in its length — really long — and its substance — not much.

Stereotypes die hard. "I knew they were the real thing when after they were introduced they clapped for themselves," said Rep. Fritz



The Associated Press

Please see Back Page, JUNEAU

Gov. Steve Cowper talks with journalist Vasily Peakov and Guennadi Afferenko.

TARIFF: Steep for the Soviets

Continued from Page A-1

bonded broker hired by the chamber to import the goods, said Oveson. The broker will be responsible for making sure that full duty is paid on all goods sold at the trade show, but won't have to pay any duty on unsold goods returned to the Soviet Union, he said.

The bail-out plan was greatly complicated by the Soviet's inexperience with customs regulations.

"Tariff law is set up by Congress and says, basically, everything that comes into the United States cannot come in without basic documentation," said Jon Pearce, another customs official. All shipments require detailed invoices listing the contents of all boxes and the price of each item.

Cannon said he telephoned Moscow several weeks ago to warn a Soviet official about customs requirements, and the heavy duties. These duties often run 90 percent of the item's value. And he said he requested a merchandise list be sent in advance of the delegation to an Anchorage delegation, so the work broker could begin the work with the Customs Service.

The list never arrived, and when the delegation ar-

rived, they had 115 boxes of merchandise with no prices and only a rough list of contents. To make matters worse, the lists were written in Russian.

"We don't read Russian," said Oveson.

The list of goods includes linen table cloths, baby clothes, wooden spoons, assorted crafts and paintings. A separate collection of fine crafts will go on display at the Anchorage Museum of History and Art, Cannon said.

The list had to be translated and the Soviets had to figure out how much the goods were worth in U.S. dollars, Oveson said. That task was complicated because Soviet rubles can't be converted into dollars, so there is no U.S. standard for equating values.

Dollars are scarce in the Soviet Union. And the visitors lacked enough cash to make an up-front payment on the \$10,000 tariff, Cannon said.

The U.S. system of tariffs was developed in the '30s, according to Pearce, then gradually lowered for many nations as the free trade ethic took hold in the post-war era. But that ethic has never extended to the Soviet bloc.

The Soviet Union and many Eastern European nations, Pearce said, still are considered unfavored nations and their imports to the U.S. are taxed at much higher rates than those from the rest of the world.

Silk fabrics of favored nations, for example, are taxed at 5 percent of their value, Pearce said; The same products brought in from the Soviet Union are taxed at 90 percent of value.

Those tariffs create a major obstacle for Alaska-Soviet trade, said Sam Salkin, president of Alaska Commercials Co., a chain of Alaska mercantile stores that has considered importing Soviet goods.

The Soviets must be willing to sell their products at a price that — even after the addition of tariffs — is still competitive on U.S. markets, Salkin said.

As of late Tuesday, Salkin was huddling with Soviet trade officials to try to help get the trade show off the ground.

"What I'm trying to do is not get terribly bent out of shape about this," Salkin said. "My view is, let's view this as an object lesson in how to resolve (trade) issues. We have an opportunity to learn from each other."

THE BEAR: Man buys hide of grizzly that bit him, Metro, C-1

CHEAPSKATES

Tracking down
frugal fanatics

Business, Page D-1

A DUET

High-tech video
reunites pair

Impulse, E-1



age Daily News

ANCHORAGE, ALASKA, TUESDAY, FEBRUARY 21, 1989

PRICE 25 CENTS

2/21/89 APN



Anchorage Daily News photos/Jim Lavrakas

Chester Valley Elementary students wait to greet Soviet visitors Monday at Anchorage International Airport.

Hoopla that needs no translation

Throng welcomes visiting Soviets

By LARRY CAMPBELL
and STAN JONES
Daily News reporters

A mayor, a governor, chamber of commerce members, security guards with walky-talkies, gawkers, children singing songs, a tableful of Girl Scout cookies, and a guy selling \$12 T-shirts; Anchorage didn't skimp on the hoopla when it comes to welcoming Soviets.

An Aeroflot jet touched down at Anchorage International Airport early Monday afternoon and left 90 Soviet citizens to face a cheering crowd at the international terminal.

The welcome was pure American, part genuine friendliness, plenty of bunting, and a double helping of hype. The visitors seemed to love it all.

The Soviets stepped off their red, white and blue jet and were immediately led behind a glass wall to customs. But chamber of commerce officials, govern-



Magadan First Secretary Aleksandr Bogdanov, left, and an interpreter share the podium with Gov. Steve Cowper.

Please see Back Page, SOVIETS

SOVIETS: Crowd welcomes visitors

Continued from Page A-1

ment politicians and a wad of media people could see them. The Americans applauded lightly and waved while the grinning Soviets filed by.

But when the Soviet rock musicians appeared behind the glass, the crowd yelled and cheered.

"Oh, look. There's Ron-do," said one woman.

The Reebok-shod Red rockers lifted and shook their arms at the crowd and smiled back, just like rock stars anywhere.

Then, the government dignitaries — ours and theirs — made speeches from a podium, pledging goodwill and friendly relations, and sounding pretty much alike despite the fact they spoke different languages.

Gov. Steve Cowper and Aleksandr Bogdanov, First Secretary of the Magadan Region Communist Party spoke first; Mayor Tom Fink spoke last, about the time the crowd was breaking up and heading for the real festivities downstairs.

A crowd had gathered in the downstairs lobby, waiting for its first glimpse of a Soviet. Scoutmaster Judy Weimer's seven girl scouts paraded the U.S., Soviet and Alaskan flags before the crowd and then the Soviets were paired up with their hosts. Coffee was brewing, Girl Scout cookies were on serving trays and Chet Walukiewicz was selling T-shirts commemorating the East-West meeting. Sweatshirts were \$24; baseball caps were \$10.

Many of the visitors didn't speak English, but Guennadi Alferenko did. Alferenko is the president of the Foundation for Social Invention, or Innovation, depending on who does the interpreting.

Alferenko operates a kind of social aid business. He champions causes, gets stories about those causes into newspapers, television and radio across his country, and collects money for them.

"We have a man, for ex-

*'The goodwill is first. . . .
After the goodwill, dollars will
come almost immediately.'*

— Visiting Soviet
Guennadi Alferenko

ample, who is trying to get things for the Afghan veterans," Alferenko said. "Trying to raise money for them. Very sad, very sad. Like your Vietnam. Many troubles. So we want to help them. We have raised 6.5 million rubles so far."

Alferenko helped to put together this week-long exchange. He said he and his countrymen and women are here this week for the same reasons Alaskans want them here — to make friends, make music and, if all else goes well, make money.

"The goodwill is first," he said. He smiled big. "After the goodwill, dollars will come almost immediately."

The Soviets plan to spend this week wandering around Anchorage, the Kenai Peninsula and Juneau, staying in local homes, talking trade, visiting school children and shopping. The festivities end this week with a folk concert Friday and a rock concert Saturday, complete with Soviet rockers.

The visit was organized by the Juneau performance group Camai and the state chamber to foster communications and trade between the two countries, and especially between Alaska and the eastern Siberian regions.

In theory, the Soviets were to go to their respective quarters and take naps Monday afternoon.

In practice, some managed to work in time for the decadent capitalist practice known as shopping.

Povelas Krivitskas, a Lithuanian reporter, was expecting colder weather in Anchorage, and so was obliged to make a lightning

stop at the Northway Mall Lamonts store to pick up a \$40 pair of Hush Puppy loafers.

"I left my shoes at home," he explained, pointing to the heavy boots that were the fanciest footwear he brought to America.

Though the Soviet Union reportedly suffers from a shortage of hard Western currency, that wasn't a problem for Krivitskas Monday afternoon. He pulled a \$100 bill out of his wallet to pay for the Hush Puppies.

Later, said Krivitskas, he hopes to buy some jeans for his son.

The Duane Elser family, meanwhile, did a little emergency shopping of their own Monday to prepare for Guennadi Shishkov, the Soviet agriculture official they're putting up for the week.

It seems the Elsers only found out Sunday they would be putting Shishkov up. Further, the Elsers don't speak any Russian and Shishkov doesn't speak any English. So the Elsers bought a book called "Russian in 10 Minutes A Day" and had one whole day to learn to use it.

"If we want to say something, we go to the English word and the Russian word is there beside it," Duane Elser said Monday evening during a get-together at the Egan Convention Center for the Soviets and their hosts.

"And if he wants to say something to us, it's vice versa," Elser added.

Shishkov, for his part, said through a translator his purpose in coming to Alaska was to try to talk to experts here about the manufacture of reindeer sausage.

JUNEAU: Talk of better relations

Continued from Page A-1

Pettyjohn, R-Anchorage.

"And I told some of my conservative friends that were skeptical of this visit, say what you will about the Soviets, but the Supreme Soviet has a lot higher turnover than our U.S. House of Representatives. So what the heck. I think it's good they're here."

The Soviets have come to Alaska to try to cut some business deals, negotiate an agreement to allow Natives to travel between here and there without visas and to have a good time. They came to Juneau to meet with Gov. Steve Cowper and legislators.

Kobets said economic and social changes in his country are driving him to forge what everyone here calls the historic bond between Alaska and the Soviet Far East.

But perestroika only goes so far. And it was clear even from the Soviet's short visit to Juneau that all voices are not yet heard equally.

"I don't agree with a lot of people who say we are the same," said Guennadi Alferenko. "We are different and it is important to understand what is different."

As chairman of the Soviet Union's Fund for Social Innovation, created by Mikhail Gorbachav two years ago, Alferenko was billed as a grand kahuna of glasnost and perestroika. "He has access to the inner circles in the Kremlin," according to a memorandum by the gover-

nor's Office of International Trade.

But Alferenko's comments were not heard on the House floor, at the joint meeting of the legislature's international trade committees or at a formal lunch at the Governor's Mansion. Alferenko's only audience was a group of Alaska and Soviet journalists and the governor's press secretary who lunched at a small restaurant downtown while the "official delegation" was at the mansion.

Alferenko had been on the list for the mansion lunch but the Soviet delegation removed him. "We don't know why. You can only ask so many questions and still retain diplomacy," said Ginna Brelsford from the international trade office.

While denied an official forum, Alferenko was not shy to speak his mind on the Soviet Union's attempts to strengthen ties with the United States, particularly Alaska.

Alferenko said real changes in the relationship between the two countries will have to come from outside the government. And that's what his organization is designed to do. Formed by Gorbachav two years ago, the Fund for Social Innovation promotes various causes. It sponsored a meeting in Moscow last year between U.S. veterans of the Vietnam war and Soviet veterans of the Afghan war.

"Kobets is at the government level. I want the peo-

ple level," Alferenko said. "Because without that, people say, 'Where is perestroika.'"

He said it is important success comes soon. "Just sign protocols and have press conferences and no results, no working systems is not enough."

"Without success it will be political games and Kobets understands this very well."

Indeed he does. In the House and at an afternoon press conference, Kobets stressed that the Soviet economy is getting worse and the United States has done little to help.

He said the Soviet Union has to pay incredibly high tariffs on goods imported into America. "This situation doesn't contribute to deepening relations for trade."

But both he and Cowper stressed that money is not the only issue. "Trade isn't necessarily the main purpose here," Cowper said. "I think people have to remember that Alaskans are also citizens of the world and what we are doing here today is taking steps to make sure tensions on an international scale are reduced. We have a lot more to contribute than trade."

Said Kobets through his translator: "I am satisfied with the fact that we are pioneers in making contacts between our people and we have to leave many stereotypes between our nations right here."

Visit organizers look for way to meet tariff requirements

By HAL BERNTON

Daily News reporter

The Soviet delegation that arrived in Anchorage Monday brought 3 tons of handicrafts and dreams of converting the merchandise into coveted U.S. dollars.

But they were unprepared to deal with the U.S. Customs Service. That meant — glasnost or no glasnost — the goods were subject to huge tariffs because the Soviet Union has not been granted favored nation trading status.

To free the goods the Soviets found they would have to pay — or post bond for — more than \$100,000, according to Duane Oveson, district customs director.

U.S. sponsors of the delegation, here on a goodwill and trade visit, were

stunned by the magnitude of the Soviet imports.

"This showed us that the Soviets are ready and willing to deal in a major way in these types of things," said Dave Cannon, project director for the state Chamber of Commerce's Siberian Gateway project.

On Tuesday, Cannon joined with the Soviets, Alaska Sen. Frank Murkowski, the state Office of International Trade and other groups in a last minute-scramble to get the goods to the Egan Center in time for a trade show scheduled for today.

By Tuesday evening, the bail-out effort appeared almost complete.

The plan called for a

Please see Back Page, **TARIFF**

MONEY

FRIDAY, FEBRUARY 24, 1989 7

Soviet trade: Is it coming soon?

Sealaska eyeing deal for next year

By KIRK McALLISTER

THE JUNEAU EMPRESS 2/24/89 JE

As the ice curtain between Alaska and Siberia continues to melt and perestroika spreads east from Moscow, opportunities for trade with the Soviet Far East are starting to open up to Alaska businesses.

While a delegation of Soviet officials visited the Capital City this week with great fanfare, Sealaska Corp. has been working quietly behind the scenes to establish contacts and ventures that would help bring Soviet-Alaska relations into the business world of dollars and rubles.

Last month, three top officials of the Juneau-based Native corporation — William Howe, president and chief operating officer; Chris McNeil, vice president and general counsel; and Victor Horgan Sr., vice chairman of the company's seafood subsidiary (Ocean Beauty Seafoods, Inc.) — traveled to Moscow to investigate trade possibilities with the Soviets.

The two-week visit to Moscow was a followup to an initial meeting with Soviet officials in California last summer, Howe said. Sealaska officials are now encouraged about business opportunities, especially with the Soviet Far East.

In fact, a followup visit to Siberia is expected to be scheduled in the next few months where the feasibility of possible business deals will be examined again. Also Sealaska expects to be able to sign a "protocol" with officials from the Soviet Far East that could lead to a joint venture agreement involving timber and seafood as early as next year, Howe said. In the Soviet bureaucratic system, a "protocol" authorizes the possibility of a business deal with an American firm though the Ministry of Foreign Trade.

In the timber and fishing sectors, Sealaska has much to offer the Soviets in processing and production technology as well as transportation and marketing, Howe said.

Still, the difference between the capitalist and socialist systems can make troublesome problems for potential business deals.

"There isn't a market-driven system but they're beginning to see the need for restructuring and decentralizing their economy," Howe said. "The major problem for them is the non-convertibility of their currency (rubles are worth next to nothing outside the Soviet Union). They're an economy in flux and change. That creates opportunities (for Alaskan and other American firms) but must you must be astute to take advantage of it."

Howe said he was particularly im-



Trade possibilities: Alaska-Siberia ventures, especially barter agreements with natural resources, could be the wave of the future in doing business with the Soviets.

pressed with the attitude and level of interest in Alaska trade expressed by officials in the Soviet Far East as opposed to those Soviets in the more entrenched European part of the country.

"Even in the Soviet Union Siberians are perceived as dynamic, aggressive people with a more open attitude and more willing to speculate and make something happen," Howe said.

In addition to problem of the negligible value of the ruble, trade with the Soviets can be difficult because of high tariffs on their goods. To get around those problems a time-tested trade device could be used — barter.

"Anyone in Alaska wanting to do business in the Soviet Far East should devise a barter exchange so they can insure a return on their investment," said Larry Cotter of Pa-

cific Associates of Juneau, a consulting firm that has worked for several years on potential trade deals with the Soviets. "In fact, barter can be more lucrative than a straight dollar exchange."

For example, an Alaskan or American company could provide the capital investment for a joint venture with the Soviets in various species of crab, Cotter said. There is plenty of crab in Soviet waters, labor costs are low and the country is closer to Asian markets so transportation costs are lower.

"It takes time and money and communication is not easy," Cotter said of Soviet-Alaska trade potential. "It's good to start small so hopefully small Alaska companies can get involved in this. If you're savvy and find the appropriate barter exchange it can work."

Soviet trade possibilities as well as social and cultural exchanges may get a boost soon as well with the opening of a non-governmental Soviet liaison office in Juneau.

Juneau Mayor Bruce Botelho said that he got a verbal commitment from Gennady Alferenko, chairman of the Soviet Fund for Social Innovation, to set up an Alaska office in Juneau. Alferenko was part of the Soviet delegation that visited the Capital City earlier this week.

While it will likely be several months before the details are worked out, Botelho said that Alferenko appeared interested in developing ties as quickly as possible on a whole spectrum of activities. That includes business and trade and cultural and education exchanges between Juneau schools and perhaps the University of Alaska Southeast.

Soviet delegation arrives in Juneau

By CHUCK KLEESCHULTE

THE JUNEAU EMPIRE 2/26/89

As Juneau Mayor Bruce Botelho said, the weather seemed wintry, but the atmosphere seemed like that of a spring thaw as state and municipal officials gave a warm welcome this morning to a delegation of eight top Soviet regional officials and a contingent of journalists.

The delegation, which marks the first time a group of party and regional officials have visited Alaska's capital, was welcomed at the Juneau Airport by about three dozen officials and spectators.

The Soviets will travel to Anchorage Wednesday morning.

After the airport welcoming the group received a standing ovation as it was introduced to the Alaska House and Senate at the Capitol prior to the first of two visitation and trade talks and a luncheon hosted by Gov. Steve Cowper at the Governor's House.

This afternoon the group was to attend a joint meeting of the legislature's international trade committees, hold a press conference and prepare for a public reception from 5:30 to 7 p.m. at Centennial

Please turn to Soviets, Page 8



Delegation members meet Gov. Cowper: Journalist Vasily Peskov, center, and Gennady Alferenko
Fund for Social Innovation.

MARK KELLEY

Soviets...

Continued from Page 1
Hall, followed by other private receptions.

Gov. Steve Cowper, who also welcomed the Soviet visitors, said the trip to Juneau was more than symbolic. It is a sign of Alaska's effort to improve trade and cultural ties with the state's western neighbor.

"Things are moving very quickly in developing a relationship. We are probably moving the fastest of all the states to develop a close relationship and we think that will mean tangible economic progress, plus a real improvement in cultural ties," said Cowper.

During his talks this afternoon, Cowper and Soviet officials were expected to iron out the terms of

an agreement that will permit Alaska Natives to visit relatives in Siberia and permit Soviet citizens to visit relatives in Alaska for up to 72 hours without having to go through the cumbersome process of obtaining visas. Cowper said the agreement, designed to set up a border commission to regulate such travel, would reopen the borders between the two areas, effectively sealed in 1948.

A formal announcement of the visitation agreement is not expected to be made until Thursday in Anchorage. The agreement will be formally signed during ceremonies at the International Dateline between Little and Big Diomed Islands on April 1.

At the airport, Botelho presented the Soviets with honorary certificates of citizenship in Juneau.

In response Vyacheslav I.

Kobets, governor of the Magadan Territory Executive Committee, through an interpreter, said the Soviets were pleased to be in the capital of Alaska, once an important Russian territory.

"Now that we are residents of your capital we hope to come back and visit often. We are pleased to be a part of this opportunity for improved relations between our two countries," said Kobets.

The visit to Juneau represented one segment of the visit by a 90-member Soviet delegation that landed in Anchorage Monday. The group will be participating in an Alaska-Soviet cultural performance this weekend marking the melting of the "Ice Curtain" between the two nations.

Some of the groups performing in Anchorage will then appear in concert in Juneau March 3.

Crossing the border

U.S.-Soviet talks to begin

By JOHN TETPON 2/22/89 APN
Daily News reporter

Long-awaited talks to allow Alaska Eskimos and their Siberian relatives to again visit each other's homelands, are set to begin here Thursday, Alaska Sen. Frank Murkowski announced at a press conference Tuesday.



Sen. Frank Murkowski

Eskimos from both nations last sailed across the international dateline without restriction in 1948, when the onset of the Cold War closed the borders of each nation.

"When you're only 2½ miles apart, it shouldn't take 40 years" to become friends, Murkowski said.

The two nations are separated by less than three miles of the Bering Straits between Little Diomede and Big Diomede. The smaller island, a tiny Eskimo hamlet, is in Alaska, while the larger one is a Soviet military outpost.

Murkowski said Native villagers from Savoonga, Gambell and Nome, will meet in Anchorage with representatives of the U.S. State Department and the Soviet Union to establish a re-unification plan for Yupiks from Saint Lawrence Island and Little Diomede and their kinfolk in Siberia.

Alaska Eskimos said they would like the proposed compact to closely resemble an almost forgotten 1938 U.S.-Soviet agreement, which said Alaska and Siberian Na-

Please see Page C-3, BORDER

BORDER: U.S., Soviets to begin talks Thursday

Continued from Page C-1

es could visit settlements each other's shores with restriction.

Until 1948, Alaskans wanting to visit relatives in Siberia were issued certificates by U.S. authorities — most of whom were U.S. Department of Indian Affairs employees — that said they were, where they came from, their occupation and their place of residence.

But Murkowski, noting they have changed since then, said travel requirements between Alaska and Siberia could be more complicated than that. A U.S. Customs point of entry, most likely in Nome, would require more travel documentation than just a list of people wanting entry to Soviet territory.

He said he saw no real need for visas and passports for the Eskimos, however.

An Alaska Yupik who said he used to watch Eskimo whale boats set out to the Siberian coast when he was a child, echoed the senator's remarks.

"We been visiting each other since time immemorial," said Tim Gologergan, a 69-year-old Saint Lawrence Islander now living in Nome.

Gologergan, in Anchorage to meet Siberian Eskimos visiting Alaska with a Soviet delegation this week, said islanders from Saint Lawrence used to go to Siberia every summer in 30-foot whaling boats that were powered by sail.

"Then the U.S. said no more," he said.

Gologergan also said he would like to see relations

between the two powers normalized to the point where it is possible to give and receive home-crafted gifts made from, for example, walrus tusks.

But that also may not be possible, according to Murkowski. "The (federal) Marine Mammal Act doesn't allow that," he said.

Yupiks also want to be able to take Native food across to their relatives in Siberia, and to bring Siberian Yupik food back. Neither country allows it now.

Caleb Pungowiyi, a Native leader from Nome will head the eight-member negotiating team for the Yupiks. Pungowiyi recently returned from a trip to Siberia, where he met many of the Siberian Natives now visiting Anchorage.

"We'll try to make it as simple as possible," Pungo-

wiyi said.

Kiril Valeninovich Kasatkin, an information aide in the U.S.S.R. Ministry of Foreign Affairs, will lead a nine-member Soviet delegation.

John Herbst, deputy director of Soviet affairs for the U.S. State Department, will represent the United States in the talks.

Murkowski said the state of Alaska and an aide from his office also will participate.

The delegates also plan to discuss establishing a bilateral border commission to help ease U.S. relations with the Soviets, Murkowski said.

The commission would handle inadvertent border crossings, fishing boats blown off course and people who walk over to the Soviet side from Little Diomede.



Alaska State Legislature

Senator Mike Szymanski

January 16, 1989

While in Session:
P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-4978/4979

Interim
3111 C Street
Suite 510
Anchorage, AK 99503
(907) 561-7617

165 E. Parks Hwy.
Suite 105
Wasilla, AK 99687
(907) 376-MIKE

MEMORANDUM

RECEIVED JAN 16 1989

TO: All Legislators
FROM: *Mike* Senator Mike Szymanski
RE: International Tourism Forum

I'd like to invite you to attend a forum sponsored by the Senate Special Committee on International Trade and Tourism on the development and marketing of international tourism in Alaska. The forum is scheduled from 3:30 to 5:30p.m. this Wednesday, January 18, in the Senate Finance Room and will feature members of the Alaska International Airport Tourism Marketing Council, also known as the "Sea Otters."

The forum agenda will include:

Bob Coe, of Duty-Free Shoppers, providing an overview of international tourism and how it can be developed and marketed in Alaska;

Bill Elander, of the ACVB, discussing progress made by the Sea Otters during the World Travel Fair;

Shimo Jima, of Sabu, describing Sabu's plans for investing in Alaska to promote Japanese tourism;

Bill McKay, of Alaska Airlines, discussing various strategies for encouraging bilateral agreements between the U.S. and Japan to increase Japan-Alaska air service; and

Paul Meyerhoff, of Anchorage International Airport Systems describing the economic benefits of promoting international tourism, and the necessity for developing bilateral agreements and a comprehensive international tourism marketing plan.

Senate District E

Mar-Su • So. Anchorage • Bird/Indian • Girdwood • Whittier • Nikiski • Cooper Landing • Hope • Seward • Cordova • Valdez



UNIVERSITY OF ALASKA ANCHORAGE

ACIB

3211 Providence Drive
Anchorage, Alaska 99508

ALASKA CENTER
FOR INTERNATIONAL BUSINESS
4201 Tudor Centre Drive, Suite 120
Anchorage, Alaska 99508

Telephone: (907) 561-2322
Fax: (907) 561-1541
Telex: 981074 WTCA AHG UD

RECEIVED FEB 20 1988

* * * * * S P E C I A L E V E N T * * * * *

A seminar on doing business with the Soviet Union will be held Wednesday, February 22 from 1:30 p.m. to 4:00 p.m. at the Egan Convention Center. The seminar is sponsored by the University of Alaska Anchorage's Center for International Business (ACIB), the Institute for Social and Economic Research (ISER), and the Alaska Office of International Trade.

The seminar is part of a week-long visit to Alaska by performing artists and representatives of government and business from the Magadan and Providenya areas of Soviet Siberia.

The first part of the seminar will feature a presentation on setting up joint ventures with a Soviet partner. During the second part of the program a panel of Soviets will discuss specific opportunities for joint ventures with Alaska businesses in the areas of mining, transportation, and agriculture.

The seminar is free, but reservations are required. Phone 561-2322.

Also at the Egan Center on February 22 is a luncheon and Soviet-American trade show sponsored by the Alaska State Chamber of Commerce. The luncheon will feature Soviet Foreign Ministry Spokesman Gennadi Gerasimov, speaking on Alaska-Soviet trade from a Soviet perspective, and Sam Salkin of Alaska Commercial Company speaking on specific prospects for trade. Lunch begins at 11:30 a.m. The exhibition hall, featuring displays by 8 Magadan area businesses, will be open before and after the luncheon.

The cost of the luncheon is \$16 for Alaska State Chamber of Commerce members and \$18 for non-members. For reservations call 278-3741.

SUMMARY OF FEBRUARY EVENTS

- Feb. 15, Wednesday: Noon-1:00 pm - "World Trade Center Briefing"
Briefings are designed as introductions to available import/export development strategies and services provided by the World Trade Center Anchorage.
Cost: Free
- Feb. 21, Tuesday: 6:00-8:00 pm - "Korea Export Night"
Join us for a film about Korea and a discussion of export opportunities.
Cost: \$10.00
- Feb. 22, Wednesday: 1:30-4:00 pm - "Doing Business in the Soviet Union"
Emphasis is on joint ventures in specific sectors such as mining, transportation, and agriculture.
Location: Egan Convention Center
Cost: Free
- Feb. 23, Thursday: 9:00 am-1:00 pm - "Doing Business in Korea"
This seminar will provide the social, cultural, and economic contexts for doing business. Detailed information will be provided regarding the potential for specific Alaska goods, Korean distribution channels, protocol, and negotiating practices.
Instructor: Dr. John Kim, ACIB
Cost: \$30.00

And coming in March.....

- Mar. 2, Thursday: 7:00-10:00 pm - "Cultural Aspects on International Business"
This workshop emphasizes cross-cultural effectiveness and our understanding of business protocol.
Instructor: Dr. Doug Nancarrow, Alaska Pacific University
Cost: \$30.00
- Mar. 4, Saturday: 9:00 am-Noon - "Financing Your Export Business"
Information regarding state and federal loan programs, interpreting international credit reports, basics of foreign currency transactions and methods of payment, including letters of credit, cash in advance, and open accounts.
Cost: \$30.00

All events will take place at 4201 Tudor Centre Drive unless otherwise noted.

Consult the ACIB Spring Schedule and watch the business sections of the Anchorage Daily News and the Anchorage Times for additional information. Give us a call anytime, or stop by our office.

Heather

GOVERNOR'S OFFICE OF INTERNATIONAL TRADE
3601 C STREET, STE. 798
ANCHORAGE, AK. 99503
Phone: (907) 561-5585
Fax: (907) 561-4577

To: Mr. Davis

From: K S Kim

Number of Pages including cover:

2

Date:

9/6/88

.....

As your request, we are sending the information
regarding Soviet delegation's itinerary.

GOVERNOR'S OFFICE OF INTERNATIONAL TRADE

3801 C STREET, STE. 798

ANCHORAGE, AK. 99503

Phone: (907) 561-5585

FAX: (907) 561-4577

To: Mr. Davis

From: K S Kim

Number of Pages including Cover: 1

Date: 9/6/88

RE: LIST OF SOVIET DELEGATION/FOREIGN JOURNALISTS

August 28, 1988

Total: 26 people

Ministry of Foreign Affairs, Moscow:

Magadan Region Officials:

Soviet Journalists:

Foreign Journalists:

2
8
5
11

Ministry of Foreign Affairs, Moscow

1. Mr. Kiril Kassatkin, Press Department
2. Mr. Yevgeniy Isayenko, Senior Official in Ministry of Foreign Affairs

Magadan Region Officials

1. Vyacheslav Kobeltz, Chairman of the Executive Committee of the People's Deputies (Governor) Magadan Region
2. Mayor Oleg Kulinkin, Mayor of Provideniya
3. Lyudmila Aynana, Assistant Professor, Institute of National Languages
4. Nadezhda Otke, President Chukotka Region
5. Vasily I. Telpine, Reindeer handler, "Dawn of Communism Collective Farm"
6. Vera G. Panagye, Animal Handler, Udarnik Kolkhoz Farm
7. Victor R. Timakov, Deputy Press Secretary, Magadan region, CPSU
8. Dimitriy I. Polstayez, Interpreter

Magadan Region /Moscow Journalists

1. Alexander S. Andreshin, Pravda Correspondent in Magadan
2. R.A. Bismukhamedov, Ekspres Correspondent in Magadan
3. Ms. Nina S. Enmenkay, Senior Editor, Editor Eskimo Radio
4. Mr. Valentine S. Gerasimov (Moscow Journalist) Gostelradio
5. Fyodor I. Belik, Camera person, Moscow

Foreign Journalists: (11)

U.S. (5):

Sandy Gilmour, NBC

Vince Schodolski, Chicago Tribune

Steve O'Neil, NBC Cameraman

Steve Coppen, NBC Soundman

Jerry Nadler, UPI

Ms. Robin Lodge, Reuters News Agency

Mr. Joerg Mettke Spiegel, West Germany Paper

Ms. Laura Starink, NRS-Handelsblad

Lars-Eric Hagman, Nordic News Agency

**SOVIET DELEGATION/FOREIGN JOURNALIST VISIT TO ANCHORAGE
SEPTEMBER 7 - 8, 1988
ITINERARY**

September 7 - Wednesday/Nome/Anchorage

9:00 a.m. ARRIVAL via the Demetri Lapker to Nome, Alaska
Customs Clearance

10:00 a.m. Nome Welcomell

12:00 Depart for Anchorage on Alaska Airlines #51

1:25 p.m. Arrival Anchorage. Airport welcoming/ Press Conference

2:15 p.m. A slice of Anchorage life: bus tours of University Center shopping
mall/neighborhoods/daycare center

4:00 p.m. Newspaper tour/journalism discussion/Anchorage Daily News
Alaska Airlines Business Meeting with Officials at Foraker Room, Hilton Hotel

5:00 p.m. Bus departs from Anchorage Daily News to Anchorage Hilton Hotel

5:30 p.m. Reception: Alaska-Siberia Medical Research Program 276-6000

7:00 p.m. Bus departs reception for Hotel Captain Cook

7:30 p.m. Pre-dinner cocktails at the Captain Cook Hotel

8:00 p.m. Dinner at Captain Cook sponsored by Alascom, Governor's Office, Alaska
Airlines

11:00 p.m. Return to Hilton Hotel

September 8 - Thursday/Anchorage/Nome

6:30 a.m. Room check-out. All luggage should be brought to the bus

6:45 a.m. Bus pick-up at the Anchorage Hilton for transport to breakfast

7:00 a.m. Breakfast sponsored by Commonwealth North/Chamber of Commerce
Captain Cook Hotel

8:15 a.m. Bus departs Hotel Captain Cook for Egan Center Business Meetings and
to Museum for journalists

8:30 a.m. Business meetings for Mayor Kulinkin/Governor Kobets/Ministry of Foreign
Affairs delegates with Alaska businesses

8:30 a.m. Museum and /or shopping tours for journalists and Soviet delegate
J.C. Penney's and other stores

11:00 a.m. Bus departs Museum for Egan Center

11:15 a.m. Bus departs Egan Center for Airport

12:05 Alaska Airlines Flight #50 Anchorage to Nome

1:35 p.m. Arrive Nome

• Soviets focus on cultural exchanges

(Continued from Page One)

month that this visit opened a door for cultural exchange.

"The governor of Magadan, would like to see many different kinds of exchanges," Pungowiyi said, adding that the exchanges are particularly important for the Eskimos.

Although there were only five Eskimos in the group of Soviets, including Magadan Governor Vyacheslav Kobets and Provideniya Mayor Oleg Kulinkin, Pungowiyi said the most important thing is to reunite relatives.

Pungowiyi also noted that he had a distant relative in the group and so did a few other people.

"We ate Eskimo food and visited Native families. They sure enjoyed it here. They were also very impressed with what's over here," Pungowiyi added.

Lonnie O'Connor, chairman of the Bering Straits Native Corp. board of directors, said the Soviets have four priorities for exchange.

O'Connor said the first priority is getting people back together, a cultural exchange. The next two would be sports and educational exchanges. And the fourth would be more discussions about mining.

The governor of Magadan plays basketball, and he is also a mining

'We ate Eskimo food and visited Native families. They sure enjoyed it here.'

—Caleb Pungowiyi

engineer," O'Connor said. "So we have a lot in common."

Besides press conferences and official receptions, the Soviets were taken on tours of just about everything there is to see in Nome. They even attended a community barbecue sponsored by the Nome Lions Club and Kawerak Inc.

"Nicole Johnson of Nome did an Eskimo Olympics demonstration for the Soviets," O'Connor said. "She even got the governor of Magadan and the mayor of Provideniya to compete against each other in the ear pull," he added.

Dr. Ted Mala, program director of the Siberian Medical Research Program at the University of Alaska Anchorage held a reception for the Soviets in Anchorage. It was sponsored by the program and the New In-

stitute for Circumpolar Health. Mala said about 100 people were there to greet the Soviets.

Mala also said the most important aspect of the Soviets' visit is friendship, and he reminded Alaskans that in 1982 these ideas of exchange weren't very popular.

"This kind of success story is important, and so is friendship," Mala said.

Pungowiyi said the Soviets returned home with many gifts and fond memories of Americans and Nome.

"It's been so exciting that they were only left alone to rest," he added.

There's no place like Nome — to Soviet visitors

by Holly F. Reimer

Tundra Times reporter

The group of Soviet visitors who traveled by sea to Nome recently are still fresh in the minds of those who came in contact with them.

Caleb Pungowiyi, president of Kawerak Inc. in Nome, said in an interview after the Soviets came to Nome and Anchorage earlier this

(Continued on Page Ten)

Opinion:

Soviet North wants more Alaskan contacts

by Gunnar Knapp
for the Tundra Times

Of the vast area of the Soviet North, the part with which Alaskans are likely to have the most direct contact is the Provideniya Region.

In the Soviet Union, a region is an administrative unit, somewhat like an Alaskan borough.

The Provideniya Region is located on the southeastern part of the Chukchi Peninsula, which faces Alaska's Seward Peninsula. The region has a total population of 9,040, according to information given to members of last June's Friendship Flight.

About half of the population of the region live in the port town of Provideniya, in a bay on the southeast tip of the peninsula.

The Native population of the region is 1,800, or about a fifth of the total population. Of these, about 1,200 are Chukchis and 600 are Eskimos.

Most of the Native residents live in smaller settlements. The two major Eskimo villages are New Chaplino and Sireniki.

A road leads from Provideniya to New Chaplino. Other settlements are accessible by all-terrain vehicles and by air. In the Provideniya Region, the Soviets appear to use helicopters for passenger and freight transportation more than we do in Alaska.

The most important economic center of the region is Provideniya, an important stopping point on the Soviet Union's northern sea route. The port was the original reason for the establishment of the town of Provideniya in 1937. The town now calls itself the "Gates of the Arctic."

When I visited the port on the day

of the Friendship Flight, I was told that hundreds of ships stop there each year, to get fuel and provisions, to form convoys to travel through the arctic ice, to transfer freight to other ships and to deliver supplies to the region.

I was told the port employs 900 people. When I visited, there were eight large ships in the bay, including a Finnish-built icebreaker.

Another important activity in the town is the construction of concrete blocks. In the north, as elsewhere in the Soviet Union, the Soviets use large concrete buildings. The town of Provideniya has 50 of these buildings, each several stories high. Concrete blocks are prefabricated at a factory in the town.

The region has three large state farms on which most rural Native residents are employed. A variety of activities take place on these state farms, including reindeer herding, fur farming, marine mammal hunting, manufacturing of handicrafts and souvenirs from seal skins, reindeer hides, bones, teeth and tusks.

The state farms have colorful names, "Lighthouse of the North," "Shock Worker" and "Dawn of Communism."

Government and support services for the region are also important industries. There are over 2,000 students in nine schools. One of these is a technical secondary school which has 325 students, including 106 Natives, all of whom study in five specialty areas. There are 11 medical clinics with a total of 200 medical personnel.

Wages are high by Soviet standards, about two times as high as what

workers would earn in southern areas of the Soviet Union. Workers also receive other benefits, such as a paid trip "outside" every three years.

Average monthly wages are 514 roubles for industrial workers, 622 roubles for reindeer herders and about 325 roubles a month for government and social workers.

At the official exchange rate, one rouble is worth about \$1.40. However, it is difficult to compare Soviet and American wages because prices are so different. Housing in the Soviet Union is extremely cheap and education and health care are free. In contrast, many consumer goods are very expensive or simply not available.

Provideniya has a number of stores which are fairly well stocked by Soviet standards, but which seem sparse compared with what would be available in an Alaskan town of similar size.

The region has 13 movie theaters and 16 libraries, seven of which are in villages. All but four percent of the houses have radios, 60 percent have televisions, 57 percent have washing machines and 40 percent have refrigerators.

What do people of the Provideniya Region hope for from increased contacts with Alaska? Everyone I spoke with stressed above all else their desire for peace and friendship between our two nations and in our part of the north.

However, local officials are also interested in developing economic and cultural contacts. During the Friendship Flight, officials in Provideniya presented the Alaska delegation with the following list of areas which they felt were

opportunities for economic and cultural cooperation:

- Development of tourism to places such as Provideniya, New Chaplino, Sireniki, the coastal whaling and scenic areas of the region;

- Joint production of canned and frozen marine food products, including seals, walrus and whales for consumption in Chukotka and Alaska;

- Joint ventures in processing entrails, bones, fat and meat by-products to manufacture animal feed;

- Joint production of reindeer products including foods, medicine, furs and souvenirs;

- Joint production of medical products from the blood, brains and gall bladders of marine mammals;

- Joint professional and technical training schools in areas such as reindeer farming, marine mammal crafts, animal husbandry and the manufacture of Native clothes;

- Competitions and exchanges in Native dances and sports;

- And joint efforts to preserve, develop and enrich the Eskimo culture and language.

The officials stressed that there would be many details and difficulties to be worked out, but an important start has been made.

Time will tell which areas of cooperation succeed, but there is good reason for hope that business and cultural contacts between Alaska and the Provideniya Region will expand in the future.

This is the fourth of a four-part series by Gunnar Knapp, associate professor of economics at the University of Alaska Anchorage.

Business

E

Alaskans want to give Soviets business

By DANIEL R. SADDLER
Times Business Writer

While the Alaska-Siberia border has been opened with warm proclamations of goodwill, that opening will probably be secured by hard business contracts.

And if all the proposals discussed during the Soviet delegation's two-day visit to Anchorage come to pass, an even wider border could be needed to accommodate the impending flood of commerce across the Bering Sea.

Among the group of 15 visitors were three high government officials: Provideniya Mayor Oleg Kulinkin, Magadan Region Gov. Vyacheslav Kobets and Chukotsk Region President Nadezhda Otke.

After a joint Commonwealth North-Alaska Chamber of Commerce meeting Thursday morning, they listened eagerly as Alaska businesspeople presented plans for possible Alaska-Soviet Far East commerce.

The plans ranged from improving Soviet rein-

deer sausage with American technology, to using Soviet ships and smelters to process Alaska minerals, to establishing a new international tourist routes. Both sides appeared to sincerely want to forge long-term working relationships.

"These business projects are real," said Bob Poe, director of the governor's Office of International Trade. "That is our requirement. We want whatever we put before the Soviets to be real, viable opportunities."

Kobets, who had earlier called developing tourism a "first priority," told Westours Inc. officials that the Soviet travel office, Intourist, would be opening an office in Provideniya.

"This is a very good signal, one of those nuts and bolts things that have to be in place before anything else can happen," said Ginna Brelsford of the international trade office. "It's an essential ingredient from a bureaucratic point of view, before substantive Alaska tourism projects can occur."

The Westours executives expressed their interest in adding Provideniya to its tour schedule, asking for a swift response so they can begin the long process of preparing marketing plans.

Kobets said Moscow and Magadan authorities have not yet agreed, partly because they have not figured out how to protect Soviet national security installations in the region. However, he added that he sensed the authorities favor expanding tourism in general.

The president of the Alaska Commercial Company, a firm bought from Russia in 1867 as part of the purchase of Alaska, proposed helping Soviet fur trappers get a higher return for their pelts, and offered its marketing experience gained operating 25 semi-cooperative general stores in Alaska.

"As your economy becomes more oriented to consumer goods, we have the expertise in the complex distribution to remote areas, and we would be willing to share that expertise," said Sam Salik, company president.

A proposal by a meat-processing company to use American technology to add value to Magadan's large caribou herding and processing industry drew Kobets' praise.

"The technology of turning the meat into sausages would allow them to improve quality," he

See Soviets, page E-1



Times photo by ALICE PUSTER

Local interpreter Tanya Bratslavsky aids Vyacheslav Kobets, the regional governor of Magadan.

Soviets: Business proposals merited

Continued from page E-1

said. "A joint venture in this area would be most realistic."

Kobets, who got his professional start as a mining engineer, expressed keen interest in a plan to ship ore from Northwest Alaska mines to nearby smelters in the Magadan region on the Soviet Union's advanced ice-breaking cargo ships.

With 20 years of reserves at the Lost River tin mine alone, such a plan could provide about 300 jobs for residents of five native villages in the area, said Lonnie O'Connor, chairman of the Bering Straits Native Corp.

The Alaska Miners Association proposed allowing miners from both regions to swap visits, so each could look at the others' gold and tin operations.

Other proposals discussed would establish joint fish processing ventures, begin imports of Soviet native handicrafts and souvenirs, provide insurance and legal consulting services to help out joint ventures, and establish amateur basketball, hockey, and skiing exchanges.

Trade with the Soviet Union across the long-closed Bering Sea border is possible only in light of recent restructuring, or perestroika, of the Soviet economy. These moves, largely engineered under General Secretary Mikhail Gorbachev, let local governments and industries make their own deals, but also require them to take the losses if the deals turn sour.

While Kobets and regional committees can approve certain projects, authority for other

more complex and sensitive deals need authorization from republic and Moscow levels, he said.

"The general trend is for the power base to move to the region, so there are fewer ties to the central government, and more autonomy," Kobets said.

The officials lugged home armloads of bound proposals and background information, and promised to follow up on the hurried discussions. Some discussions will continue in Khabarovsk, the site of a visit by a Alaska trade delegation planned for late October, said Brelsford.

After the meetings, the officials joined others in their party who had visited the Anchorage Museum of History and Art and had done some extra shopping at J.C. Penney Co. Inc.

The group, scheduled to leave Thursday night, won a little extra time in the state when visas authorizing the visit were extended until Saturday afternoon.

The 15 Soviets, who had been accompanied by 11 journalists from various countries, planned to spend the extra time in Nome. The group plans to leave by 6 p.m. Friday, Nome City Manager Polly Prchal said.

"Their own plans on the other side (of the Bering Strait) will not allow them to stay longer," she said.

The itinerary for the additional time included Nome tours, among them visits to mining operations, a school and a hospital. Visits highlighting the Eskimo culture in the Nome area also were planned.

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Vyacheslav Kobets discussed a mining proposal with Bering Straits Native Corp.

Soviets, Alaskans discuss mining exchange proposal

by Holly F. Reimer
Tundra Times reporter

Soviets' visit

—Page Sixteen

A mining exchange between Alaska and the Soviet Union was proposed last week in Anchorage when a delegation of Soviet officials spoke with an official from the Bering Straits Native Corp. and various mining officials from Alaska.

Lonnie O'Connor, chairman of the Bering Straits Native Corp. board of directors, explained that the Lost River mine which produces tin and various

other minerals could have a greater mining production potential if raw ores could be shipped to the Soviet Far East to be processed.

The proposal, still just on verbal terms, would utilize Soviet barges for

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Oleg Kulinkin, mayor of Provideniya, was part of the Soviet delegation.

• Mining talks

(Continued from Page One)

transporting the ores and their smelteries for processing the materials.

Before any firm commitments are made between the two countries an official from the Alaska Mining Association said that there should be formal feasibility inspections and tours to the smelter and mine sites.

The Lost River mine site is located on the Seward Peninsula near Brevig Mission and almost equal distance between Shishmaref and Nome and is just under 300 miles from the Soviet Far East's coastal boarder.

A group of 26 Soviets are in Alaska in response to Gov. Steve Cowper's invitation June 13 when he and 82 other Americans ventured to Provideniya on the Friendship Flight I.

Vyacheslav Kobets, governor of the Magadan region in the Soviet Far East, said that they have about a dozen working smelters.

"Our smelters are kind of old, but they are sturdy," Kobets said, speaking through an interpreter.

"We have the biggest gold smelting and gold mining operation in Magadan," Kobets added.

Kobets told the group that the Soviets are as interested in the exchange as the Americans are.

O'Connor said if this exchange were to take place that the tin mine would create 300 jobs for Natives in surrounding villages and would help the economy in the Bering Straits region greatly.

Ron Sheardown, president of Greatland Exploration Ltd. and part owner of the Lost River mine, said that this proposed exchange with the Soviets is ideal because of the closeness between Alaska and the Soviet Far East.

Alaskans' hospitality impresses Soviets

by A.J. McClanahan

Tundra Times publisher

Soviet Far East dignitaries who traveled to Alaska last week for the return version of last summer's "Friendship Flight" to Provideniya appeared to be impressed with the warm hospitality they received in the state.

Members of the 26-member delegation spent about 24 hours in Anchorage, and during receptions, meetings and a breakfast Thursday morning they answered questions about resource development, international relations, fishing and tourism.

The governor of Magadan Ter-

ritory, Vyacheslav Kobets, even touched on Soviet Far East efforts to reclaim gold mining areas and protect the Pacific Ocean's varied resources.

But what the Soviet delegation seemed most interested in talking about were the warm reactions they got from Alaskans.

Speaking through an interpreter at a breakfast sponsored by Commonwealth North and the Alaska State Chamber of Commerce, Kobets said the smiles greeting the Soviets meant much to them.

Kobets and Oleg Kulinkin, mayor of Provideniya, recalled the June 13 Friendship Flight from Nome to Pro-

videniya when a delegation of Soviet Far East.

Alaskans traveled to the Soviet Far Eastern community in an effort to improve U.S.-Soviet relations. In fact, Kulinkin said June 13 will be a day of celebration commemorating the friendship between the people of Alaska and the residents of Provideniya.

Although the Soviets declined to discuss specifics of how the two nations can work together, Kobets predicted that tourism in the Soviet Far East will soon be on its way. He said that by next year, tourists will be traveling to and from Alaska and the

He joked, however, that when Siberian towns and villages were built, tourism was not one of the considerations that went into their design.

Among those welcoming the Soviets to Alaska was former Gov. Walter Hickel, who noted that the Soviet Far East has much in common with Alaska. He also said he was pleased the border between the two regions was being opened after being closed for more than 40 years.

"The border was closed for security," he said, "but we know the real security is in friendship."

Alaska tips hats to Soviets

By DANIEL R. SADDLER
Times Business Writer

Anchorage opened its homes, hearts and shopping centers to welcome Soviet citizens Wednesday across a border that until three months ago had been closed for more than 40 years.

"The border is already open between the new shores, and the contacts we are developing are the demonstrations of this opening," said Vyacheslav Kobets, governor of the Magadan region, in the Soviet Far East.

Kobets said tourist exchanges between Alaska and the Chukchi Peninsula could begin next year, and said it was "realistic" that Eskimos from St. Lawrence Island and Soviet Chukotka could resume the trans-Bering Sea boat visits cut short by the onset of the Cold War.

Responding to Gov. Steve Cowper's invitation, issued during the June 14 Friendship Flight to Provideniya, Kobets led a contingent that included a Moscow foreign affairs officer, the mayor of Provideniya, scholars, writers, and Soviet and European journalists from Moscow.

Cowper, flanked by elementary school students singing songs of greeting, welcomed the visitors at Anchorage International Airport. He said the visit indicated Soviet interest in

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Times photo by DOUGLAS VAN BERTH

Soviet Antonina Kymytval stopped and shopped at University Center.

Visitors find shoppers' paradise a treat

By DANIEL R. SADDLER
Times Business Writer

Visitors from the Soviet Union, the "workers' paradise" found themselves in shopper's paradise Wednesday, and didn't want to leave after their tour bus stopped at University Center for a look at consuming — American-style.

Clutching bankrolls of U.S. bills ranging from \$25 up to a reported \$1,000, the visiting Soviets stretched a carefully scheduled 45-

minute visit to a good two hours of shopping. They left wanting more.

Mall merchants gave each visitor bags of presents, including candy bars, calculators, pens and cosmetics. Free food was available at most emporiums, and clerks and managers attentively waited on their guests as translators explained the bargains.

The guests got to try out an automatic banking machine, but had to give back the

\$20 in instant cash.

One Soviet visitor, through a translator, commented, "I am very impressed that everything in Alaska is so snappy-snap. We are used to a different rhythm, a slower rhythm of life."

That slower pace became more distinct as they wandered through the mall, viewing the shops and marveling at the quantity and variety of goods.

See Lifestyle, page A-6

Unlocked borderline welcomed

By VINCENT J. SCHODOLSKI
Chicago Tribune

NOME — The first Soviet officials to cross the Bering Strait to the United States since J. Edgar Hoover closed this border 40 years ago arrived Wednesday to a flag-waving welcome by Alaska Eskimos.

"It feels just like home, even the weather," said Oleg Kulinkin, mayor of the city of Magadan, as he arrived in rain and a 42-degree chill. "In the first minutes, there was the land, grass, the weather and, most important, friends."

The five officials accompanied six native people, Eskimos and Chukchis, from the Soviet

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ASSOCIATED PRESS

Lyudmilla Aynana, an Eskimo of the Soviet Far East, reaches out to relatives in Nome.

Greeting: 'Joyous'

Continued from page A-1

province of Magadan who came to visit relatives living on the American side of the strait.

They were repaying a June visit by 82 Alaskan Eskimos, politicians, businessmen and journalists to the Soviet Far East.

The Eskimo visitors, brought by tugboat across Nome harbor from their ship to the shore, climbed unceremoniously over a sea wall of sheet metal and wood pilings and embraced their friends and relatives and chatted emotionally in their native language.

Nome residents and schoolchildren waved small American and Soviet flags and cheered as the Eskimos and Chukchis met.

"We all speak the Upik language," said Timothy Golgergen, a 68-year-old Eskimo who lives in Nome.

He was there to meet his cousin Tatyana Achirgina, an Eskimo journalist from Magadan. They first met last June when Golgergen went with Alaska Gov. Steve Cowper and the American group to Provideniya, the Soviet port across the strait.

Wednesday's arrival was a major event for this coastal city.

Nome was decked out with welcoming banners in English and Russian and American and Soviet flags were displayed in many shop windows.

"I never thought I'd see the day when the hammer and sickle would be flying in Nome," said Tom Busch of radio station KNOM.

KNOM broadcast lessons in simple Russian phrases, and some of the visiting Eskimos shopped for jeans almost immediately after arriving.

T-shirts marking the visit were on sale at the Road House Restaurant for \$8.

The Soviet delegation is headed by Vyacheslav Kobetz, governor of the province of Magadan.

After a lunch of reindeer meat and salad, the officials and Soviet Eskimos and Chukchis left for Anchorage and a meeting with Gov. Cowper. They will return to Nome Thursday, then sail home Friday.

The Anchorage hotel where the Soviets stayed offered the Arnold Schwarzenegger movie "Red Heat" on pay television. It's about a Soviet KGB agent and a Chicago police officer who team up to capture a group of cocaine dealers.

Soviet and American officials hope this trip will lead to easier access for the Eskimos to families living on both sides of the strait, as well as to greater economic and tourist ties between the two countries.

The U.S. government, on the advice of FBI Director Hoover, stopped the flow of native people across the strait in 1948.

Since then they have had to travel west around the world to visit family members who live across the strait, which is just

three miles wide at its narrowest. Provideniya, the port in Magadan from which the Soviet delegation set off, is about 220 miles from Nome.

A group of Western journalists and four Soviet journalists accompanied the Soviets from Provideniya, a gray, polluted port city on the extreme southeastern tip of the Chukotka Peninsula. The voyage aboard the ship Dmitri Laptev took nearly 24 hours on choppy seas.

As whales spouted alongside the ship, the ship crossed the International Dateline and sailed into U.S. territorial waters six hours after leaving Provideniya. At that point the Soviet coast and the U.S. island of St. Lawrence were both clearly visible, about 50 miles apart. Several of the Soviet Eskimos aboard the ship have relatives living in the town of Gamell on St. Lawrence.

When the ship was 11 hours out to sea and with no land in sight, two Eskimos paddled by in a small kayak.

U.S. and Soviet officials have said they hoped to build upon the contacts that were just beginning.

Gov. Kobetz said that the trip had made "a small hole in the Iron Curtain" and that he hoped regular visits by Soviets, Americans and Eskimos of both countries could begin next year.

Soviet officials said they wanted to increase tourism across the Bering Strait and perhaps cooperate with the United States in commercial fishing ventures.

Alaskan businessmen had the same idea.

"This back door will be a strong way in and out," said Jim Stimpfle, a Nome real estate developer who has been active in promoting ties between Alaska and the Soviet Union.

He said Alaska hoped to be able to start trade on a barter basis with the Soviets, offering Alaskan agricultural products and services in return for sea products and items made in the Soviet Far East.

Stimpfle said it might be possible for American companies to service equipment still being used in Magadan mines, which was manufactured in the United States in the 1930s.

Kobetz and Alaskan officials alike said they hoped regular air service could be established next year between Alaska and some point in Magadan.

While the crossing to the Soviet Union from Alaska would be quick, the Soviets will have to develop a more effective infrastructure if they hope to have U.S. tourists visit the Chukotka peninsula.

The remote area is beautiful, with snow-covered mountains and deep blue fiords. Salmon fishing, hunting and geological and anthropological exploration are all possible.

However, many parts of Chukotka are closed areas, meaning that foreigners are rarely allowed to visit them.

Soviets

Continued from page A-1

closer cultural, scientific, trade, and tourism contacts between the two regions.

"We felt that a reciprocal trip would come next summer," he said. "That it is only two months after the first visit shows how important the Soviets feel this is."

As in the June visit, both visitors and guests rushed to bridge cultural and lingual borders with simple human contact, even before the formal ceremonies were over.

Immediately upon arrival at the airport, while officials made greeting speeches, Vera Oovi-Kaneshiro and Lyudmilla Aynana, a Soviet language professor, were busy chatting away in Yupik, catching up on the lives they have shared by mail for 16 years.

Oovi-Kaneshiro, born and raised in Savoonga on St. Lawrence Island, and Aynana, from the Soviet village of New Chaplin, became pen pals 16 years ago through a mutual friend. They met face-to-face for the first time Wednesday.

"This is the most joyous moment in my life, because I can communicate in my own dialect," said Aynana through a translator. She and the few other Siberian Yupiks planned to gather for a private evening at the home of Jenny Alowa, another Anchorage pen-pal, said Oovi-Kaneshiro.

After the greetings, the visitors left on a bus tour of Anchorage. At the first stop, University Center shopping mall, the Soviets soon broke away from the official schedule, accepting gifts from the merchants, and eagerly diving into the capitalist marketplace.

Once back on the bus, the group made a quick stop at a daycare center, where children wandered through the bus to exchange greetings and shy smiles. They then drove to the home of Gunnar Knapp, a Russian-speaking, economics professor and specialist in Soviet and Arctic economies, who also helped with translation duties.

The visitors admired Knapp's home, ate apples from a backyard tree, and proudly posed for photos beside a neighbor's 1929 Model A Ford. Three of them got a ride in the car.

"They were taken aback at the large home that even a young couple can afford to live in, coming from a country in which most people live in cramped apartments," said Knapp. "Even if they're married, they may live with their in-laws for years waiting to get an apartment."

Expressions of goodwill were the order of the day, but visitors also came over to do business. The top government officials broke away early to discuss possible deals with representatives of Alaska Airlines and Alascom.

Alaska Airlines president Bruce Kennedy said he expected Soviet authorities to agree to one



Times photo by DOUGLAS VAN REEST

Lyudmilla Aynana, a Soviet language professor, sips a soft drink at the University Center mall.

Lifestyle: 'Snappity-snap'

Continued from page A-1

"Just looking at it, it all looks so rich," said poet Antonina Kymytva, through a translator. "My poor housewife's eyes are popping out of my head looking around the room."

In a kitchenware shop, Kymytva fondled a \$12 paring knife, her budget wrestling with the desire to add a Chicago cutlery blade to her kitchen collection at home. The budget won.

"They're my passion, so it's best to just walk away from them," she said. She passed by a \$20

stuffed Big Bird for a handful of decorative magnets, but handed over \$120 in unfamiliar bills for a stereo cassette deck and 15 blank tapes for her family.

Other visitors bought blank video and audio tapes, clothing, and stereo equipment. They wandered further from their guides, and agreed to leave only after promises they could return for more shopping today.

Store managers agreed to open Pay n' Save, Lamonts and a few other shops before regular hours to accommodate the shoppers.

flight to Provideniya per week next summer, but doesn't think he'll have approval in time to begin promoting the trips in September. Questions remain over airport improvements and ground service costs, he said.

"But they want it as badly as we do," he said. A group of about eight marketers likely will visit Provideniya for three days by the end of September, Kennedy

predicted.

"I have no doubt that Nome-Provideniya flights will become a reality, and beyond that, anything seems a possibility," he said.

While Magadan governor Kobets spoke of cooperating with Alaska to develop his region's timber, fishing and gold mining industries, he called tourism his "first priority."

Kobets said the Magadan region's long-closed capital city could soon host small groups, but warned large-scale tourism was unlikely soon.

"But it is plain to see that regular people-to-people contact like this today will fulfill the most important job, promoting understanding and goodwill," he said.