

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672

1675 SCOMM 65: HOUSE SPEC. COMM. ON FOREIGN TRADE, 1989-90

1243

Mr. Virilio Barko
President of the Columbia
Societies of the United States of America

Dear Mr. President and friends!

Drug addiction not only affects the people who are caught in its net. It is an affliction of all society. It is an affliction that has no class or national boundaries. The drug business drains all humanity. Its brazenness and its strength have reached a point where it has begun to openly wage war against governments, succeeding and growing fat on its secret war against humanity.

The government of Columbia is carrying out a deadly skirmish against the drug cartels. The entire world should give support to this worthwhile enterprise, every honest person who can should do something.

Nations and people fight with one another for no reason, for no reason they live in fear and suspicion. Humanity has too many social problems now. Elemental poverty, hunger, AIDS, drug addiction have upset the nature's balance. These problems must be solved together, and solved today.

The whole world helped us when disaster fell on our country, when the elements brought the bloody horror to Armenia. Governments, social organizations and private people helped. The heart of every Soviet person warmed with a feeling of thanks, knowing that the whole world was rushing to our aid. The influence of drug addiction ruins the lives of many more people. Not one country can be sure of its defence against the penetration of this poison.

A group of Soviet pilots of ultra-light and light-motor planes, professionals and non-professionals, offer their help to the government of Columbia in the fight against the drug cartels, in the direct participation in government operations against crime organizations. All that is needed is an agreement on the acceptance, and providing for the initial formation of 10 to 15 pilots. The formation has already be organized.

We ask for the support of any social organization, private or official organs of the United States of America in delivering our proposal to governmental organizations in Columbia.

If Columbia accepts our help, transportation across the territory of the United State and the direct preparation of the group for action will be necessary.

We would be very glad if any of our American colleges who believe as we do would contact us . It would be exceptional, if we could form an international brigade.

With respect, in the name of the international group,
Igor Morozov

USSR, Magadan 685024
ul. Portovaya, d. 5 kv. 16

USSR Magadan 685007
ul. Kolimskoe Shosse, d. 6
Youth Aviation Center

tel. 4-20-52

Translated by Andrew Crow, Research Assistant, Institute of Social and Economic Research, University of Alaska, Anchorage.

Президенту Колумбии.
Общественности
СОЕДИНЕННЫХ ШТАТОВ АМЕРИКИ.

Уважаемый г-н Президент, дорогие друзья!

Наркомания не есть частное дело тех, кого она поймала в свои сети. Это беда общечеловеческого масштаба. Это бедствие не имеет сословных, классовых и государственных границ. Наркобизнес паразитирует на человечестве. Его наглость и его сила дошли до того, что он объявляет открытую войну правительствам, преуспевая и жирея на своей тайной войне с человечеством.

Правительство Колумбии ведет смертельную схватку с наркомафией. Весь мир должен оказать содействие этому благородному делу, каждый честный человек, который может сделать хоть что-то.

Странам и народам незначит воевать друг с другом, незначит жить в условиях недоверия и страха. У человечества сейчас слишком много общечеловеческих проблем. Это разрушающийся природный баланс, стихийные бедствия, голод, СПИД, наркомания. Это проблемы, которые надо решать сообща, решать сегодня.

Весь мир помог нам, когда беда постигла нашу страну, когда стихия навела кровавый ужас в Армении. Помогали правительства, общественные организации и частные лица. В сердце каждого советского человека осталось теплое чувство благодарности, которое мы испытали узнавая как весь мир спешит принести нам помощь. Наркомания гораздо более обширна в сфере своего разрушительного воздействия. Ни одна страна не может быть уверена, что надежно защищена от проникновения яда.

Инициативная группа советских пилотов ультралегкой и легкомоторной авиации, профессионалов и любителей предлагает правительству Колумбии свою помощь в борьбе против наркомафии путем непосредственного участия в операциях проводимых правительственными силами против преступных формирований. Для этого необходимо согласие на прием и размещение группы из 10-15 пилотов, к предварительному формированию которой

вой, но мы рассчитываем на поддержку и помощь официальных и общественных организаций, как в Советском Союзе так и за его пределами.

Мы просим содействия со стороны любых общественных организаций, частных или официальных органов Соединенных Штатов в том, чтобы наше обращение дошло до правительственных организаций Колумбии.

А в случае, если Колумбия согласится принять нашу помощь, необходимо будет содействие в транзитном перемещении через территорию Соединенных Штатов и непосредственной подготовке группы к действиям.

Мы будем очень рады, если кто-нибудь из наших американских коллег и единомышленников изъявит желание присоединиться к нам. Это будет великолепно, если мы создадим интернациональный отряд.

С уважением,

от имени инициативной группы



Игорь Морозов.

СССР, г. Магадан, 685024
ул. Портовая д. №5 кв. 16.

685007, г. Магадан
ул. Колымское шоссе, д. № 6
авиатехнический молодежный центр
тел. 4-20-52

**STATE OF ALASKA
HOUSE OF REPRESENTATIVES**

1987

Source

HR 8

House

Resolve No.

4



Establishing a House Special Committee on Foreign and Domestic Trade.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

WHEREAS enhancing foreign and domestic trade is of increasing importance to the economy of the state; and

WHEREAS the legislature should be well informed about developments in foreign and domestic trade in order to plan for the state's future; and

WHEREAS the state should promote and facilitate foreign and domestic markets for the products and services of the state; and

WHEREAS the establishment of foreign trade zones may be an important part of the state's efforts to diversify the economy and participate in international trade;

BE IT RESOLVED by the House of Representatives that a House Special Committee on Foreign and Domestic Trade is established to study issues relating to foreign and domestic trade; and be it

FURTHER RESOLVED that the speaker of the House of Representatives shall appoint members of the House to serve on the committee; and be it

FURTHER RESOLVED that the House Special Committee on Foreign and Domestic Trade may meet during and between sessions of the legislature and is terminated on the convening of the First Session of the Sixteenth Alaska State Legislature.

COPIES of this resolution shall be sent to the Honorable Ronald W. Reagan, President of the United States; to the Honorable George Shultz, Secretary of State; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

ORIGINAL

STATE OF ALASKA

THE LEGISLATURE

1987

Source

HJR 31

Legislative
Resolve No.

22



Relating to a Siberian crossing and cultural exchange.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS President Reagan and General Secretary Gorbachev, recognizing the desires of the citizens of their countries, signed an agreement in 1986 encouraging people-to-people exchanges between the United States and the Soviet Union; and

WHEREAS the Alaska Performing Artists for Peace brought this agreement to life by visiting the Soviet Union last year; and

WHEREAS the people of Alaska and the Soviet Union have a shared history; and

WHEREAS some of the inhabitants of the Alaska and Soviet Union coastal communities on the Bering Strait have family and cultural ties; and

WHEREAS the people of St. Lawrence Island in Alaska have extended an invitation to the people in Siberia to participate in an Alaska whaling festival this summer; and

WHEREAS other Alaska communities are planning activities to welcome the people from Siberia and would like to include the Siberian visitors in the World Eskimo-Indian Olympics in August; and

WHEREAS, if Siberian residents are allowed to visit Alaska, the visit will be the first Siberian crossing for the residents in almost 40 years; and

WHEREAS the proposed exchange would promote international understanding and world peace;

STATE OF ALASKA

THE LEGISLATURE

1988

Source

CSSJR 48(SA) am H

Legislative
Resolve No.

60



Relating to the promotion of Alaskan and Soviet exchanges.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the United States and the Soviet Union agreed in December 1987 to establish a bilateral group to work on Arctic issues; and

WHEREAS the United States and the Soviet Union also agreed to work toward the promotion of air transportation between the two countries; and

WHEREAS Alaska lies only a few miles from the Siberian coast of the Soviet Union; and

WHEREAS Alaska and the Soviet Union share a common interest in the sound management of the fisheries resources of the Bering Sea; and

WHEREAS efforts to stimulate travel, trade, cultural, fisheries, wildlife, and scientific exchanges between Alaska and Siberia are consistent with and supportive of efforts by the United States and the Soviet Union to improve understandings between the two nations; and

WHEREAS President Reagan and General Secretary Gorbachev are hoping to meet in mid-1988 to discuss a wide range of issues;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the President of the United States to give continued support to an opening of the border between Alaska and Siberia to air travel, trade, cultural, fisheries, wildlife, and scientific exchanges and these subjects be a part of the agenda for the 1988 meeting with General Secretary Gorbachev.

upon a continuing effort by Alaskans to identify fully these specific objectives so that they may be pursued through appropriate channels;

*Asial
note?* BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to appoint a nine person commission on Alaska-Soviet relations to explore and identify areas of mutually beneficial interactions and to prepare findings and recommendations for the Governor and the legislature; and be it

FURTHER RESOLVED that the Governor is requested to make appointments to the commission from government, civic, academic, cultural, labor, and business leaders of the state; and be it

FURTHER RESOLVED that the Governor is requested to instruct the commission to examine the cultural and historical relationship of Alaska to the Soviet Union and to investigate areas of mutually beneficial relationships between the people of the state and our Siberian neighbors; and be it

FURTHER RESOLVED that the Governor is requested to direct the commission to report its findings and recommendations to the Governor and legislature by July 1, 1989.

STATE OF ALASKA

THE LEGISLATURE

1988

Source

HCS SCR 34(SA) am H

Legislative
Resolve No.

66



Relating to the establishment of a commission on Alaskan-Soviet relations.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the United States and the Soviet Union, recognizing the desires of the citizens of their countries, signed an agreement in 1986 encouraging people-to-people exchanges between the two countries; and

WHEREAS the United States and the Soviet Union have signed a medical research agreement giving the University of Alaska the responsibility and authority to teach, develop, research, and coordinate circumpolar interests between the United States and the Siberian branch of the Academy of Medical Sciences in the Soviet Union; and

WHEREAS the United States and Soviet Union agreed in December 1987 to establish bilateral groups to work on Arctic issues; and

WHEREAS Alaskans and the Soviet Union are each seeking closer ties with the other as evidenced by the travel of Alaska's Performers for Peace to the Soviet Union, by the efforts of citizens of Alaska and of the Soviet Union to bring Siberians to the St. Lawrence Island Whaling Festival and the Eskimo-Indian Olympics, and by the agreement of the Soviet Union to consider proposals for airline traffic between Alaska and Siberia; and

WHEREAS it would be consistent with and supportive of the efforts of the United States and the Soviet Union to improve understanding between the two countries to stimulate travel, trade, and cultural and scientific exchange between Alaska and Siberia; and

WHEREAS achievement of these goals will be dependent in part

research program, and encourages all citizens of the state to participate in this historic effort to further peaceful cooperation and understanding.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States, and to Mikhail S. Gorbachev, General Secretary of the Communist Party of the Soviet Union; to Evgeny Chazov, Minister of Health of the U.S.S.R.; His Excellency Yuriy V. Dubinin, Ambassador of the U.S.S.R. to the United States; to the Honorable George P. Shultz, United States Secretary of State; the Honorable Otis R. Bowen, M.D., United States Secretary of Health and Human Services; Robert Windom, M.D., Assistant Secretary for Health, Department of Health and Human Services, and Director of the U.S. Public Health Service; Donald D. O'Dowd, President of the University of Alaska; to each of the following: the Institute of Medicine of the National Academy of Sciences of the United States; the Siberian Branch of the Academy of Medical Sciences of the U.S.S.R.; the Peoples Soviet of the Territory of Siberia of the U.S.S.R.; the Peoples Soviet of the Territory of Khabarovsk of the U.S.S.R.; the Soviet Medical Workers Union; and the House of Friendship with Peoples of Foreign Countries, Far Eastern Countries Department, U.S.S.R.; to the United States Arctic Research Commission; the President's Office on United States-Soviet Initiatives; the National Institutes of Health, Fogarty International Center; the Board of Regents of the University of Alaska; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

STATE OF ALASKA

THE LEGISLATURE

1988

Source

SJR 54

Legislative
Resolutive No.

50



Expressing support for the Alaska Airlines application for approval to fly to Siberia.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Alaska is the focus for air transportation between North America, Asia, and Europe; and

WHEREAS President Reagan and Soviet leader Gorbachev agreed to broaden civil air service between the United States and the Soviet Union during their last summit meeting; and

WHEREAS officials of the United States and the Soviet Union will be discussing proposals for seasonal airflights between Nome, Alaska, and Providenya, Siberia; and

WHEREAS Alaska Airlines has applied for official approval of its proposal to provide two round trips each week between Nome and Providenya during the summer; and

WHEREAS scheduled air service between Nome and Providenya will encourage renewal of cultural ties between the Native peoples of western Alaska and eastern Siberia;

BE IT RESOLVED that the Alaska State Legislature expresses its support for the application of Alaska Airlines to provide air service between Alaska and Siberia; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests the Department of Transportation and Department of State to approve the application of Alaska Airlines to provide air service between Alaska and Siberia.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable George P. Shultz, Secretary of State; the Honorable James H.

Burnley IV, Secretary of Transportation; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

STATE OF ALASKA

THE LEGISLATURE

1987

Source

Legislative
Resolve No.

SJR 26

38



Relating to Siberian medical research.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the state has strong historic bonds with the Territory of Siberia within the U.S.S.R.; and

WHEREAS the state represents the primary American interest in the northern arctic and subarctic regions; and

WHEREAS the U.S.S.R. and the United States of America have signed a medical research agreement giving the University of Alaska the responsibility and authority to teach, develop, research, and coordinate circumpolar interests between the United States and the Siberian branch of the Academy of Medical Sciences in the U.S.S.R.; and

WHEREAS this medical research agreement is the first ever to be signed between the Territory of Siberia and a western nation and reflects the unique and common environmental problems shared by both areas; and

WHEREAS the people of the state have a strong desire to promote good relations within the border area of the Bering Sea shared by the U.S.S.R. and the United States of America; and

WHEREAS common family ties also exist across the border area; and

WHEREAS the medical research agreement has been cited as a potential model for further cooperation between the U.S.S.R. and the United States of America;

BE IT RESOLVED that the Alaska State Legislature expresses its support for the University of Alaska's Siberian medical

12: - 12:30

On teleconference from WASHINGTON D.C.:

① JUDY DEANE AND POSSIBLY WAYNE NEIL
Economic Officers
Office of Soviet Affairs
U.S. Dept. of State

② Jessica Gavora, staff member
Senator Murkowski's office
Bill Wolfe, fisheries aide, Senator Murkowski

- Judy Deane and Wayne Neil will give us
an overview of the status of
U.S. - Soviet trade relations and
of the federal laws and regulations
affecting trade between our two
nations.

- Jessica Gavora is also available to answer
~~for~~ any questions for committee
members. She has worked on many
of the Alaska - Soviet initiatives
from Senator Murkowski's office in D.C.,
and is familiar with many of
the problems and benefits associated
with trying to open doors between
Alaska and the Soviet Far East.

12:30 - 2:00

We have on teleconference and in person many representatives from business community who have experience and knowledge in trading with Soviet Union. They will each give us a 10 minute briefing on their experiences w/ trading w/ USSR!
First, on teleconference is!

- ① Alaska Airlines representative Bill ~~Mackay~~ Mackay
Regional Vice President
Alaska Airlines has been trying to gain permission to land in Soviet Union. They also flew the hallmark "Friendship Flight" from Nome to Provideniya last June. general Bill, could you give us some ~~history and insight into projects~~ ~~sent~~ information on your companys project

② Alas com-

Alascom representative Tom Jensen
Alascom has recently installed a telephone link across Bering Sea from Gambell to Provideniya - for anyone who has recently tried to make a phone call to Soviet Union, what was normally a long and difficult process is now much easier thanks to Alascom. Tom could you brief us on this project:

7/21/89

ALASKA AIRLINES
CHRONOLOGICAL SUMMARY - SOVIET AFFAIRS

Charters Flights

- 1966 Alaska Airlines first applied to the U.S. government for authority to operate flights from Nome to Provideniya. This application was not approved, but led to implementation of more ambitious plans in 1970.
- 1970 Alaska Airlines operated a series of tourist charter flights from Anchorage to Khabarovsk, using Boeing 707 equipment.
- 1971-1972 Alaska Airlines operated a tourist program in conjunction with Aeroflot and Intourist, flying tourists from Anchorage to Khabarovsk and to Leningrad.
- January 1988 Alaska Airlines filed an application with the U.S. Department of Transportation to provide scheduled service between Nome and Provideniya, in order to help solidify the warming trends in trade and cultural relationships between the U.S. and the U.S.S.R., and to re-establish long-standing cultural relationships between many native Alaskans and Siberians.
- June 1988 Alaska Airlines personnel flew from Nome to Provideniya on a technical evaluation flight.
- June 1988 Alaska Airlines conducted a "friendship flight" from Nome, bringing approximately 80 native Alaskans and other U.S. citizens to Provideniya on a Boeing 737-200 aircraft for a one-day visit.
- August 1988 Alaska Airlines reviewed its Nome-Provideniya service proposal with a delegation of Soviet embassy and foreign trade representatives in Washington D.C.
- September 1988 Officials from Magadan and Provideniya arrived in Nome by ship and visited Nome and Anchorage in a return friendship trip. Business meetings were held on the Nome-Provideniya service proposal.
- October 1988 Soviet Foreign Ministry spokesman Gennady Gerasimov visited Seattle and Anchorage and indicated that he saw no obstacles to the proposed Nome-Provideniya service by Alaska Airlines.

7/21/89

- October 1988 Alaska Airlines participated in the Alaska Trade and Friendship mission to the Soviet Far East, which entered into protocol agreements with the cities of Magadan, Khabarovsk and Vladivostok. The American delegation included business leaders and State of Alaska government representatives.
- February 1989 Alaska Airlines discussed its Nome-Provideniya proposal again with Soviet officials in Washington D.C., including personnel from the Ministry of Civil Aviation and Aeroflot. A memorandum of understanding was signed, whereby both sides agreed to encourage their governments to amend the existing bilateral agreement to allow scheduled air service between Nome and Provideniya.
- February 1989 Alaska Airlines agreed to provide air transportation between Anchorage and Anadyr for the Bering Bridge Expedition flight.
- March 1989 Alaska Airlines transported the Bering Bridge Expedition team members as well as other passengers to Anadyr.
- April 1989 The U.S. State Department submitted a "diplomatic note" to the Soviet Ministry of Foreign Affairs proposing that the bilateral agreement be amended as noted above, and designating Alaska Airlines as the carrier to operate this route.
- May 1989 A Soviet delegation from Anadyr flew to Kotzebue for a one-day visit with Alaska Airlines and government officials.
- June 1989 Five members of a Soviet Ministry of Civil Aviation delegation visiting Anchorage were hosted in Seattle by Alaska Airlines.
- July 1989 Alaska Airlines announced it was discontinuing planning for flights to the Soviet Far East in 1989 but that it remains committed to pursuing an agreement for flights in 1990 and beyond.

Aug-89 Looking Rust Air
over upgrade - Ketchikan
will be sent - etc. in October.

Far Eastern Economic REVIEW

Stampede Across the Strait

SRI LANKAN ECONOMY

Winning a Reprieve

SOVIET FAR EAST

Vladivostok Opens Up

Asia-Pacific Community

Expanding the rice bowl



Local prices	Great Britain	£84.00	France	Fr 22	India	Rs 24	Korea	Won 2000	Myanmar/Burma	Rs 50	Pakistan	Rs 22	Saudi Arabia	SR 11	Sri Lanka	Rs 40	Thailand	Baht 70	
Australia	A\$3.70	Canada	C\$4.00	Holland	G 6	Indonesia	Rp 3000	Laos	US\$2	Nepal	Rs 25	Philippines	Phil 2.00	Singapore	S\$4.00	Sweden	Skr 20	U.K.	£2.40
Bangladesh	Taka 30	China	US\$2.00	Hong Kong	HK\$20	Japan	¥ 600	Malaysia	MS\$ 50	New Zealand	NZ\$4.00	Poland	Pol 20	Spain	P 500	Taiwan	NT\$50	U.S.A.	US\$3.00

Moscow's winds on Asia opens to the world

Looking outward

By Sophie Quinn-Judge in Vladivostok

Vladivostok is gradually ending its hamlet existence, receiving increasing numbers of foreign visitors each year. They still come only on special invitations, but even this trickle of outsiders is enough to tax the city's modest tourist infrastructure.

Chinese trade delegations rub elbows with fast-talking American businessmen in the city's crowded restaurants, and finding a free table poses a challenge. It is no longer a question of whether this Pacific outpost will become fully opened, says Valery Lozovoi, who is in charge of foreign economic relations for the Soviet maritime region. The only question now is the timing.

Already, 700 foreign delegations have visited the city this year and, by next year, some optimists predict that foreign ships will be plying the waters of the Golden Horn, where Vladivostok's commercial port is located. Runways at the city airport are being renovated and may begin welcoming international aircraft by next year.

The final decision to open Vladivostok will be taken in Moscow, maritime region party secretary Victor Gorchakov said, adding that it will depend on "the world situation." But already the momentum in this direction seems too strong to reverse.

Vladivostok's debut on the world stage will not be entirely graceful. A glamorous natural setting on hills overlooking the Pacific and some charming turn-of-the-century architecture cannot disguise the fact that the city is suffering from all the ills associated with years of stagnation. Ageing infrastructure, polluting industries and primitive living conditions for many residents belie the image of "the Soviet San Francisco," as some call it. The crime rate is high, and Mafia-style gangs run the underworld, local people say.

Although the city needs to attract talented specialists from other parts of the Soviet Union to take part in its renaissance, it has little to offer them. Scientists in their 20s and 30s with families find themselves living in single dormitory rooms for up to 10 years. Of one group of young experts interviewed, only those born in the Soviet Far East are contemplating settling down in Vladivostok. Employees of Far Eastern Shipping Co. can expect to wait 20 years for a flat.

Already, the city's hills are thickly covered with monotonous, concrete box-like homes; the only room for new building is on the city's fringes. Some specialists are recommending that the population be restricted to 750,000, slightly above the current level, until the housing crisis is overcome.

Equally serious is the city's ecological crisis. "Our technology is out of date and

On other pages

Subliminal environmentalism and Japan
Shipyard, navy shipbuilding opens last
the door to a new era of shipbuilding

doesn't preserve environmental cleanliness," explained Yuri Kashuk, editor of the newly established *Pacific Business Herald*.

The ship-repair industry and navy pollute the sea, he said, while an antiquated sewage system purifies less than 10% of the waste which pours into the ocean. "The Amur Gulf 40 years ago was a unique natural phenomenon," he said, "but now we've lost it, thanks to the city's sewage." The sanatoria and beaches along the gulf are threatened with closure; local people refuse to swim in it.

To bring the gulf back to life will require



Vladivostok port city stagnation ills.

ecologically clean industry and an enormous amount of money. "We can't be particularly optimistic about this without a general uplift of the economy," Kashuk said.

Vladivostok's vocal Greens are on their guard against the import of polluting technology. "We want the city authorities to make ecological cleanliness one of the first demands to potential foreign partners," Kashuk said.

They would like the city to become nuclear-free. Although they may well succeed in preventing construction of a planned nuclear power station, they may have a more difficult time persuading the navy to remove its nuclear weapons. "Vladivostok was traditionally a military fort," Kashuk explained, "so naturally it is now also a nuclear fort."

As elsewhere in the Soviet Union, funds for modernisation are in short supply. "We should ask Karl Marx where to find the money to build socialism," quipped one wit at an October conference on Vladivostok's development. City party first secretary Vladimir Semyonkin, 39, is hoping that a Supreme Soviet decision on territorial autonomy will soon give Vladivostok a budget to spend. At the moment, 70% of national income is spent by Moscow, he said, and only 30% goes to the regions. It should be the opposite, he believes.

Without some degree of territorial independence, there will be no turn-around in Vladivostok's fortunes. Both radical members of non-formal groups and the men at the top of the regional party structure now accept this conclusion. Independent political activists are calling for the formation of a "far eastern republic," patterned on the one that existed in the early days of Soviet power from 1920-22. They see this as the only way to gain full control of their resources.

The Soviet Far East is now routinely compared to a colony which has been milked of its raw materials by monopolistic ministries. A far eastern republic could become a buffer, not between warring states as it was in the 1920s, but between the "restructuring economy" in the rest of the Soviet Union and the most rapidly developing region of the world, Kashuk said. It could remain under the direction of the ruling party, he concedes, as was the case in the 1920s, but would have a free market and free press if the parallel were followed through.

Gorchakov, until recently the rector of the University of the Far East, sees territorial self-sufficiency as a realisable goal but one that will be difficult to achieve. "Some of our elected deputies exploited this idea during the elections," he said, "but they didn't have any idea how to carry it out."

There are plenty of complex problems involved, he pointed out, among them the pricing of raw materials produced in the Soviet Far East — fish, timber and light metals mainly. "Without price reform, there won't be any territorial self-sufficiency," he explained.

Other specialists say that their region needs to make its own decisions about resource development. Sakhalin's gas, for example, could be a key energy source for

the region. At the same time, though, the Sakhalin chief is not a high priority, these specialists maintain.

But the region must also integrate itself into the outside world, specialists believe. "We've been oriented towards the internal market in past years," says Gorchakov. "We lived a closed, happy life." But he believes that the city could exist without the rest of the world is an illusion, he said. Growing imports of used Japanese cars and foreign computers are proof of this.

However, Gorchakov and other leaders are adamant that they will no longer simply supply unprocessed raw materials to Japan. "We won't go down the path we've already followed," said Lozovoi. "We have told the South Koreans we want capital, we don't want them to replace Japan as a market for raw materials."

Does Vladivostok see itself as another Hongkong in 20 years? Gorchakov has more modest hopes: "We want life to be

more civilised and more comfortable here," he said, "but the speed of our development will depend on our neighbours' willingness to help us . . . We need contemporary technology."

One of the major unanswered questions is whether the communist party will remain in control of the city's evolution. Elections for new regional and city councils to be held early next year will be a key test of the party's ability to regain popular trust.

The communists are taking steps to develop a more caring, competent image. Urbane men like Gorchakov and Lozovoi represent a break with the old-style party bosses of the Soviet Far East. Still, Moscow scholars point out that the relationship Soviet President Mikhail Gorbachov maintains with intellectuals is not repeated here. "Academics in the Far East are third-rate citizens," one intellectual asserted. He added that there are too many people dependent on Moscow ministries for their pensions and

housing. "They don't raise their voices."

On 12 October, the party published its election programme: "A new quality of life for the maritime region — through democratisation and economic self-sufficiency." Party leaders promise they will support non-party candidates who endorse their platform.

Semyonkin insists that the city party's role is to "guarantee the most natural and free process of events" during the elections. "If along the way we meet obstacles — organisational or psychological — we shall try to remove them," he said. "In the end we will all win," he added, "by getting an elected city council."

It will take a lot to convince local people that the party is sincerely committed to democracy. Even Vladivostok's deputy to the Supreme Soviet, law professor Victor Shekhovtsov, has lost some of his prestige by joining the party soon after his surprise victory in March.

SOVIET UNION 2

Vladivostok's civilians would like the sailors gone

Ship out, navy!

On a hillside high above Vladivostok's harbour is the city's only active church, the pink-painted "Grieving Mother of God." It was built as a monument to the sailors who lost their lives in the Russo-Japanese War. Vladivostok was and is a naval town.

"We are linked in one fate," said Mikhail Appolonov, the Soviet navy's head of "propaganda and agitation" for the city. "We opened up Vladivostok and named its bays and streets. We want to see the town beautiful and, as before, naval."

But ordinary inhabitants of Vladivostok and the rest of the Soviet Far East seem less than satisfied with the role the navy has played in their lives. Lack of sympathy for the military elite was vividly demonstrated here in March, when the commander of the Pacific Fleet, Adm. Gennady Khvatov, was defeated by university professor Victor Shekhovtsov in elections for the congress of people's deputies. The commander of the Far Eastern Military District, Lieut-Gen. Victor Novozhilov, was also beaten, by Yevdokia Gayer, an ethnographer of the Nanai ethnic minority.

The distrust which caused these humiliating defeats remains strong, judging by comments of the local people and press. In one week in October, the newspaper of the Soviet Pacific Fleet, *Battle Watch*, carried at least two articles addressing what might be called the navy's credibility gap.

One such story tried to scotch a rumour

that sailors on a minesweeper in dock had fired a deck gun into a populated area. The loud noise had not been a shot, the newspaper said, but just the explosion of compressed air in an improperly fitted gun. Another article, by an officer's wife, aimed to debunk the widespread idea that the military have the best of everything — the best shops, the best flats and the best salaries.

In the popular mind, a naval withdrawal from Vladivostok would bring noticeable benefits. "Many people would be happy to see the navy leave, as they occupy about one-third of the flats here," said a member of an informal political group.

Although city authorities say they do not have precise information on the naval population of Vladivostok, maritime region party secretary Victor Gorchakov confirms that the navy is already handing over some buildings, but "it's an illusion to think that we can chase them all out yet," he said, adding: "We need to be well-defended." And as he put it, the recently completed US naval exercises in the region, Pacex '89, did not represent "the white sails of peace."

Indeed, in the view of some observers, the Pacex exercises will provide fresh ammunition for those who argue in favour of retaining the navy's grip on Vladivostok. "The exercises will give the people responsible for security the upper hand in deciding the question of opening Vladivostok," said Vladimir Ivanov, head of the Pacific Region Research Department at Moscow's Institute

of World Economics and International Relations. "This lessens the influence of those interested in economic development and generates more energy in certain groups of people," he said.

In the official view, the offensive nature of the exercises and their proximity to Soviet borders, confirm that the US still sees the Asia-Pacific region as an arena of the Cold War. Gorchakov has suggested that anti-military tendencies could to some extent be combatted by providing more information to the public on foreign military activity near Soviet borders. "Pacifism not infrequently comes from lack of information," he told the Defence Ministry's news organ, *Red Star*, on 20 September.

Despite the perceived Western threat, the Soviet navy does not intend to keep Vladivostok closed, Appolonov said. "Those naval forces now in the city don't stand in the way of opening it," he said.

However, civilian experts like Ivanov have no illusions about the speed with which Vladivostok can shed its last military secrets. Defence facilities that were once outside the city limits have been surrounded by residential areas as the city expanded, Ivanov pointed out. This, he surmised, makes the navy sensitive to the danger of electronic eavesdropping on its "command-control communications intelligence centre."

What is more, the navy will have to build new depots for nuclear warheads if it gives up all its port facilities. Already, Vladivostok's Greens are calling for the city to be made entirely nuclear-free. The relocation of these facilities may run into several billion roubles, Ivanov said.

It will take time and money to make Vladivostok the cultural and commercial capital of the Soviet Far East.

■ Sophie Quinn-Judge

A port city faces obstacles in attracting investment

Going it alone

By Sophie Quinn-Judge in Nakhodka

In late October, another secret of the Soviet Far East yielded itself up to glasnost. The military airport, located 25 km from Nakhodka, was for the first time shown to Western visitors.

The visitors were not military attachés, but a delegation of US businessmen and consultants who had come to examine this small city's attractions to Western investors. Among them was a representative of Bechtel Corp. which, if Moscow gives the go-ahead, may sign a contract to enlarge the airport. And not only are the Soviets discussing opening up this formerly closed installation but they are talking of turning it into a hard currency-earning joint venture.

The conversion of the airport to civilian use is one of the keys to Nakhodka's plans to create a special economic zone (SEZ). The project has been greeted with derision by some economists and is unlikely to receive any funding from Moscow. The local authorities, however, are pushing ahead with their drive to attract Western investment to their dingy port.

"The initiative came from below here," said Tatiana Ilyina, who represents the city's department of foreign economic relations. "Not everyone in Moscow and Vladivostok is supporting us," she said. "We have to be glad if they're not interfering."

Soviet cooperatives and enterprises from other republics are showing a strong interest, though. "We're getting many proposals; we now have to choose the ones most needed here," she explained.

In October, the city established a development association for the SEZ. By January 1990, it hopes that a council of ministers resolution will spell out the conditions to be granted to foreign investors there.

The Soviet Far East already enjoys a special status under foreign-investment regulations that came into force on 1 April. The tax on exported profits has been reduced to 10% or lower, depending on the nature of the enterprise, from 30%. A tax holiday granted to foreign investors was extended from two to three years after the first declared profit.

Soviets drawing up the decree on Nakhodka are hoping that the SEZ will receive the right to engage in free barter trade. Licensing restrictions, which also came into force in April, have tied the hands of Soviet Far Eastern enterprises that had begun to develop an active border trade with China in timber and other raw materials.

The draft decree also specifies that Soviet

enterprises operating in the SEZ would have no more than 50% of their production controlled by the central plan. In addition, Nakhodka is seeking the right to independently authorise investments or joint ventures up to a ceiling of Rbl 15 million (US\$23.9 million) in hard currency.

Nakhodka's selling point is its geography and complex of modern ports, combined with plenty of empty space. Located at the end of the Trans-Siberian Railway, the landbridge between Europe and Japan, it is already an international transport centre.

Its commercial port handles 7 million tonnes of freight each year, while its sister port of Vostochny, the most modern in the Soviet Union thanks to Japanese technology, handles around 10 million tonnes. By the year 2000, Vostochny's capacity is projected to reach 40 million tonnes. Unlike Vladivostok, Nakhodka is an open city — with three foreign consulates — where a US-Soviet fishing joint venture has had its base



Naval officers: no longer welcome.

for 10 years. This year Hyundai, the South Korean conglomerate, established an office of its trading company here.

The effort to attract American investors is partly motivated by politics. There is a growing realisation here that if the US can be persuaded to play a leading role in developing the Soviet Far East, it would reassure cautious Japanese and South Korean business-

men. American involvement might at the same time exert competitive pressure on the Japanese, a Soviet expert said.

Soviet sources said some American businessmen see Nakhodka as a possible springboard for entry into the Japanese market. One of the more outlandish proposals that Nakhodka has received was from an American real estate developer who would like to construct giant warehouses for lease to Western companies with products to market in Japan, where warehouse space available to Western firms is severely limited. The same developer is talking about organising an air shuttle service between Nakhodka, Japan and South Korea.

United Telecommunications has discussed extending its deep-sea cable from Japan to Nakhodka, as well as longer-term involvement in communications in the Far East. However, decisions on communications are still tightly controlled by Moscow, so local authorities cannot be confident of quick approval on this project. Heron, Burchette, a Washington-based legal firm, is playing an intermediary role in finding potential American partners for Nakhodka.

Despite growing interest, Nakhodka's SEZ could still founder due to factors beyond its control. "Everything depends on the Supreme Soviet passing the law on property and leasing," said a local official who, like most reform-minded officials, hope the law is passed by December. The law would enable foreigners to lease land for 50 or perhaps 99 years. However, there are pessimists who believe that the Russian Federation, which has administrative control over the Soviet Far East, will fail to uphold the legislation.

Nakhodka's labour shortage is another factor working against it. Not only is there a shortage of skilled cadres, there are also very few workers. In the whole maritime region, there are fewer than 1 million working people. Because of growing social tensions, public opinion is running against the large-scale import of unskilled workers from Asian countries. Many experts would like to see imported labour limited to temporary construction projects.

The Nakhodka SEZ would, by force of circumstance, be limited to low-technology, raw-materials processing. It would thus be dependent on industries in the undeveloped hinterland outside its boundaries. These basic industries of the Soviet Far East — fisheries, timber and light-metals mining — are still controlled by plans drawn up in Moscow.

"We need to emphasise a sectoral approach, not a geographic one," a specialist on the region said. "We need to liberalise these industries for foreign investors. Our leap forward needs to be based on a change in people's mentality," he explained. "A physical breakthrough can't replace a conceptual breakthrough."

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Soviets relax guard along Asian land frontier

Opening gambit

By Tai Ming Cheung in Moscow
and Khabarovsk

Soviet troop reductions in Asia, pledged last December by President Mikhail Gorbachov, are now well under way. But most of the cuts are being made in border garrisons facing China, with so far little change in the line-up against Japanese and US forces.

The cutbacks are cited as evidence of the much talked about defensive shift in Soviet military doctrine being applied to the Soviet Far East, and also an important signal from Moscow that it wished finally to end three decades of military suspicions with Peking.

Western and Asian defence circles remain unconvinced about the first claim, but the latter point is certainly true: the Soviets are trying hard to return Sino-Soviet military relations from confrontation to coexistence, and even restart limited cooperation. The Soviets have invited Chinese officers to watch their military exercises and begin academic exchanges. So far, the Chinese have eschewed these offers and have limited contacts to goodwill messages and hand-shaking on respective army days.

By the beginning of July, said Maj.-Gen. Oleg Il'in, deputy director of the Far East Military District's Political Directorate, more than 200 "military systems," such as artillery guns and tanks, had been withdrawn from along the border. These reduc-

tions, however, hardly affect Soviet military capabilities in the area.

More indicative of a possible lessening of Soviet military power in the Far East is the reduction of 200,000 troops from east of the Urals by the beginning of 1991, announced by Gorbachov. If more far-reaching proposals, most importantly the complete demilitarisation of the Sino-Soviet border, made by Gorbachov to the Chinese in May are agreed, border forts may disappear off the map. Peking agreed to the Soviet suggestion for a joint working group to negotiate the demilitarisation, though the Chinese have yet to decide when to begin the process.

Soviet defence analysts say they do not regard the Chinese as a threat to Soviet sec-

urity, even though the estimated 65 or more Chinese divisions deployed, numbering in excess of 800,000 troops, outnumber three-to-one Soviet forces in the region (not including forces matched against a US-Japan threat). Neither were the Soviets concerned with the modernisation and blue-water ambitions of the Chinese navy. "We consider it very much as a coastal force. It represents no threat to us at all," said retired general Vyacheslav Burin, a researcher at the Institute for Far Eastern Studies in Moscow.

This perception is not reciprocated by Chinese counterparts. A debate is raging among Chinese defence planners, much like in the West, about whether the Soviet military machine is fundamentally becoming more defensive. As yet, no conclusion has been reached, and the Chinese, extremely conservative when it comes to thinking about their Russian neighbours, will probably wait it out for more concessions before reciprocating with disarmament measures. But the Chinese downgraded the Soviet threat in 1985, and unilaterally reduced their standing army by some 800,000 troops to help cut government spending.

Soviet military officials insist the changes are more than just revised definitions: there are major reforms taking place in how the Soviet forces are trained, equipped and organised to reflect a switch from offensive warfare to a defensive structure based on the notion of "reasonable sufficiency," mutual security and military parity.

The 200,000 troops to be cut — 120,000 of them from the Far East on the eastern sector of the Sino-Soviet border, the Pacific seaboard and outlying islands facing the US and Japan — represent a sizeable proportion of the total forces Moscow admits deploying in the Far East. Most will



Soldiers mothballing a tank at Leninski.

View from Leninski Fort

Nowhere is the temperature of Sino-Soviet relations more directly felt than among the soldiers of Leninski Fort, a Soviet army outpost on the eastern rump of the expansive Sino-Soviet border. Hurriedly set up in 1967 — Leninski's buildings are mostly wooden, unlike the concrete bunkers usual in other border fortifications — the fort stood poised for war as the ideological split between the two communist giants threatened to turn bloody.

Today, with rapprochement making conflict remote, Leninski is a more relaxed place. Boredom and the long harsh winters are of more pressing concerns to the soldiers than provocations from across the border. Following the Soviet leadership's decision late last year to slash the size of the armed forces and put them on a more defensive footing, Leninski's operational readiness is being lowered. When the REVIEW was taken to tour the fort, the out-

post's main armaments, 10 World War II-era tanks emplaced in the ground and used as anti-tank guns, were being dismantled and mothballed, and their store of shells withdrawn. Manning is also being reduced, from three to two battalions.

Whether Leninski's rundown, which Soviet military officials say is being repeated all along the heavily fortified border, is proof of a less offensive military posture is still questionable. Leninski has been a purely defensive and intelligence-gathering point anyway, to guard against possible incursions in coordination with KGB border forces, and to keep tabs on Chinese military activities. No serious border incidents have occurred since the mid-1980s, said the fort commander, Lt. Col. Vladimir Belkin, and the Chinese had greatly scaled back their presence in Leninski.

The demobilisation of a 10,000-man unit, one of the smallest units of the Soviet army, based at Leninski, is one big part of the plan. The unit, which includes two infantry divisions and one artillery brigade, will be fully deactivated by this December, said its chief of staff Col. Oleg Mayorov. What

will be left behind in any case

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Should Sino-Soviet relations once again worsen, however, some of the reductions could be quickly reversed. This is also true for the Soviet forces being pulled out of

Unlike the reduction taking place in Eastern Europe, where the emphasis is on the withdrawal of major quantities of weapons systems, including 10,000 tanks, and the re-

It is, in fact, the increasing modernity of the Soviet military machine that concerns US and Asian defence planners more than any expansion in the size of its forces. With better arms, Soviet ability to project power grows. US and Japanese concerns are focused in two fields: long-range, deep penetration aircraft, and submarines. In these areas, the Soviets have made major strides.

Tai Ming Chow 20

with the introduction of Backfire, Badger and Fencer bombers equipped with cruise missiles, and increasingly quiet submarines to evade the US and Japanese controlled choke-points.

Despite these developments, Moscow's ability to conduct sustained offensive operations along its Asian borders should it decide to, whether against China or Japan, is severely limited. For amphibious operations, as would be necessary in an invasion of Japan, the Soviets have only one brigade of an estimated 7,000 marines, hardly sufficient to overcome the Japanese. For the Chinese, the Soviets could only hope to conduct limited operations confined to a few hundred km from the border. For a full-scale invasion of China to reach the Yangtze River, the Soviets would need more than 3 million troops, Chinese analysts estimate.

The Soviet military posture in Asia is, in terms of Moscow's priority in military planning being that of Europe, defensive in nature. The Far East forces' main strategic mission in the event of an East-West military showdown is to deter the opening of a second front from forward-deployed US, Japanese and even Chinese forces. The main US aim vis-à-vis Soviet forces in the area is, according to the Pentagon, "to conduct offensive actions against the Soviet forces in order to neutralise Soviet military capabilities and inhibit Soviet transfer of Far Eastern forces to Europe."

In this respect, Soviet military officials are quick to point out that the Soviet-US-Japan military balance is heavily weighed against them. Writing in the official newspaper *Pravda* in late May, Defence Minister Yazov said: "Although we have a 2:1 superiority in tanks, the US and Japan have a 2:1 superiority in personnel, 4:1 superiority in warships (though not in submarines) and a 2:1 advantage in tactical and naval aviation." These figures, however, are presumably limited to those forces specifically facing the US and Japan in the Pacific — around half the forces in the Far East — with the China-dedicated forces not taken into the reckoning.

Soviet officials see Japan's efforts to rearm as one of the most worrying trends in the military situation in Asia, though it is specifically the context of the US-Japan security alliance rather than the Japanese military buildup alone that is of most current concern.

The increasingly pessimistic Soviet view of Japan's rearmament seems likely to grow, with little sign of a major improvement in the two states' frosty diplomatic relations. Soviet officials see a more forward — even offensive — posture being taken by the Japanese. Naval and air exercises later this year, said Markelov, would work out strikes against Soviet installations on the Kamchatka Peninsula, Sakhalin, and the Kuriles.

Given such Soviet concerns over US and



Soviets return from cross-border trip.

Japanese military superiority in the region, and their offensive military doctrines predicated on taking any war on to Soviet territory, Soviet officials admitted their Pacific seaboard forces had been little affected by the current reductions.

The US-South Korean military relationship is also given the same cold war polemical treatment by the Soviet. Moscow, in line with its North Korean ally, sees the continuing presence of US military bases, and the "provocative" large-scale annual joint US-South Korean military exercise as a major source of instability on the peninsula. Even without the US military presence, Soviet military analysts say the military balance between the North and South would be roughly equal, the North's superior numbers more than matched by the South's technological edge.

In this respect, the Soviets have provided considerable military assistance to North

Korea since the mid-1980s to help narrow this "quantitative" gap in capabilities, usurping Peking, traditionally Pyongyang's principal military aid-giver, in the process. This has included MiG 23s and various air-defence systems. In return, the North Koreans have allowed Soviet naval visits, joint naval exercises, and Soviet aircraft to overfly its airspace for intelligence gathering missions. Vietnam is also another of the Soviet Union's main military aid recipients in Asia.

Critics at home say Moscow can ill-afford such assistance — official US estimates put Soviet military aid to 30 countries in 1987 at up to US\$21 billion. Under a leadership that emphasises political and economic approaches in foreign policy over traditional military muscle-flexing, it is also seen as counter-productive. In North Korea's case, said Vasily Mikheev, a researcher at the Institute for World Socialist Systems in Moscow, "there have been increasingly divergent views of the necessity for continued military assistance between the politicians, who see it as not helping the case for reunification, and military chiefs, who view the situation from a purely military perspective."

Despite the flurry of activity by Moscow since 1986 in reforming its military posture and undertaking new approaches to relations with Asian states, there has been a frustrating lack of response from its targeted audience. "It is all one-way traffic so far. There should at least be some dialogue, even if only the Asians would tell us what they want," said one Soviet analyst. "There are certain limits to how long we can wait, and how many unilateral steps we can take by ourselves without reciprocity," said Vladimir Yakubovsky, a researcher at the Institute for Far Eastern Studies.

DEFENCE 2

Lowering the military profile has its costs

Weighing anchor

Three years have passed since Soviet leader Mikhail Gorbachov's Vladivostok speech proclaiming a new era in Soviet policies towards Asia. Vladivostok — the centrepiece of Soviet military might in the region — would, Gorbachov promised, become an open port within a few years to spearhead the economic opening of the Soviet Far East.

But the port remains off-limits to foreigners, and no one seems sure when it will finally open. When questioned recently in the Supreme Soviet, the country's revitalised parliament, Defence Minister Gen. Dimitriy Yazov replied that it was partially open, but only to officially invited international delegations, of which 37 including Western

academics have visited the city since 1986.

Vladivostok's uncertain status reflects the broader complexities in the change of priorities from military to economic policies in the Far East. The military community is reluctant to throw Vladivostok's doors open because sensitive military installations are located in the city — though the US probably knows about them from satellite surveillance.

But it is believed to be a matter of when, not if, the city will open, so another important consideration is the economic cost of relocating military facilities. Preparations are in the pipeline, analysts said, to move parts of the Pacific Fleet, based in Vladivostok, 240 km up the coast to Strelak. The estimated

costs have risen more than Rbl 30 million (US\$5 million), said Vasily Mikheev of the Institute of World Socialist Economic Systems in Moscow.

It is ironic that the Soviets are finding that demobilisation, glasnost and the relaxation of tensions are financially expensive undertakings. One of the main rationales driving the pruning back of the Soviet military machine is the need to reduce its massive burden on the national economy, which US intelligence estimates say eats up 13-17% of GNP. However, recently released official Soviet figures puts the defence budget at less than half the total of these Western estimates, at Rbl 77.3 billion.

It is not known what savings the present reductions in the armed forces will produce but at least in the short term, it will not be significant — the chief cost being housing for demobilised officers. For the Far East, where locals make up only a small percentage of the ranks, re-housing will be less of a problem.

What would present major problems would be agreement between Moscow and Peking on demilitarising the Sino-Soviet border, which would require a massive relocation of Soviet military facilities, which because of geography and logistics have traditionally been located along the axis of the Trans-Siberian Railway and, more recently, the Baikal-Amur Railway, which run close to the Sino-Soviet border. Far East military officials are not sure if funds are available to rebuild bases and lines of communication. "It will take a minimum of five years to move the troops from present bases and rehouse them in the more inhospitable regions of central and northern Siberia," said Maj.-Gen. Oleg Il'in of the Far East Military District.

The benefits for the civilian economy from the military's restructuring include the handing over of military vehicles and facilities such as airfields and ports to civilian enterprises. Forestry and oil drilling enterprises in Siberia in particular will profit from the surplus of ex-army trucks and tracked carriers. The heavy burden of military use on the rail system will be reduced.

The conversion of military industrial plants, regarded as the technologically most advanced sector of the economy, could help boost Siberia's chances of drawing in much wanted foreign investment, especially in manufacturing rather than raw material processing ventures. Soviet officials said the defence industry's production of civilian goods will increase over the next few years from the present 40% to 60% of the defence sector's total output. ■ **Tai Ming Cheung**

Asians hard to convince about Soviet sincerity Lifting the curtain

The Soviet Far East military establishment has warily stepped from the shadows in an effort to convince its sceptical Asian neighbours that it is neither as threatening or formidable as it might appear. In recent months Soviet military officials have provided previously classified data — albeit selectively — on their forces in the region and the nature of the reductions currently taking place.

In late May, Defence Minister Gen. Dmitry Yazov disclosed Soviet forces in the region totalled almost 600,000 troops, 12,600 tanks and 1,290 combat aircraft — excluding non-combat support personnel and units of the strategic rocket forces based in the area. These forces are distributed between two army groups, one facing China and the other the US and Japan, and comprise around 25% of the Soviet Union's 3 million strong armed forces.



Defence Minister Yazov.

The army group deployed against China numbers 271,400 troops, 820 aircraft, 8,100 tanks, 10,200 armoured personnel carriers and 9,400 artillery pieces, while the army group arrayed against the US and Japan has 326,200 soldiers, 4,500 tanks, 4,100 armoured personnel carriers, 7,000 artillery pieces and 870 combat aircraft — 470 in the strike role. Although the Soviets differentiate between China and Japan-assigned army

groups, the relative ease troops can be moved between fronts suggests their interoperability may be more flexible than this theatre designation suggests.

Given the technological edge Japanese and US forces have over the Chinese, the Japan-dedicated army group is presumably equipped with more modern weapons systems. However, the majority of Soviet divisions in the Far East are maintained at "not ready" levels — which means they only have a fraction of the allocated personnel, sometimes as low as 10-20%, and would require at least a week to mobilise.

The Soviet Pacific Fleet, which has emerged as the largest and most capable of the country's four geographically divided fleets, has 55 major surface warships — including two Kiev-class 30,000 tonne aircraft carriers — and 40 conventional and 48 tactical nuclear submarines.

These Soviet supplied numbers are

lower than Western estimates. The US Department of Defence puts Soviet forces in the Far East at 57 army divisions (troop numbers are not given), with 14,900 tanks, 1,300 tactical aircraft and a growing Pacific Fleet of some 77 major surface warships and 98 submarines. Soviet officials say the Western figures are "artificially" high as they include non-combat personnel and their definition of a major warship is lower.

Soviet officials insist that the overwhelming bulk of these forces are ground units whose main task is defensive, and that compared to the US and Japanese forces they are significantly weaker in naval and air power projection. In addition, the US and its allies' armed forces are equipped with more sophisticated weapon systems.

The release of the figures, while not proving Soviet military forces are merely sufficient for their defensive requirements as the Soviets argue, does meet a basic first step that various Asian states have demanded — greater openness on the size and disposition of Soviet military strength in the region.

Unlike the arms reductions taking place in Eastern Europe or the destruction of missiles under the Intermediate Nuclear Forces Treaty — where foreign observers and journalists have been allowed to witness the process — whatever reductions have been taking place in the Far East have remained off-limits until very recently. The REVIEW was the first foreign news organisation allowed to inspect military facilities involved in the reduction.

One reason for the contrast in approach between the eastern and western parts of the Soviet Union is the nature of the audience Moscow is seeking to influence. Compared to the active concern of the electorates in Western Europe — where the Soviet "threat" looms large — Asian audiences are generally more passive about the Soviet military presence in the region. This may reflect in part a lack of democracy in some of the countries, as in China, and or the "off-limits" nature of national security issues for civilians, as is often the case in South Korea. Moscow has therefore felt little urgency to promote the arms reduction process in Asia beyond the region's ruling élites.

Nevertheless, the Soviet authorities have started to realise that a more open and positive image of its military posture will go some way to calming Asian fears. In early July, foreign journalists and observers were allowed to monitor, from a distance, an exercise by the Pacific Fleet.

■ **Tai Ming Cheung**

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Neglected Sakhalin seeks foreign investors

Left on the shelf

By Sophie Quinn-Judge in Krasnoyarsk

Sakhalin island, like most of the Soviet Far East, has been a financial liability to the central government for years. High salaries for workers in its fishing, forestry and mining industries have been exacerbated by artificially low prices for its raw materials. Extracting a ton of oil here costs twice what the oil sells for on the Soviet market.

Despite the region's rich resources, which include more than 100 billion m³ of natural gas and oil reserves estimated at hundreds of millions of tons, local officials do not expect dramatic changes in the near future.

"The centre still wants to keep us under

known as the Democratic Movement for Perestroika. "There is talk about free economic zones on Sakhalin," he says, "but when this will ever happen and who will do it, we don't know."

The Soviets readily admit that foreign capital and technology are essential for the restructuring of Sakhalin's economy. And since the island was officially opened up last year, foreign businessmen have begun to show some interest in developing its resources.

Three joint ventures have already started with Japanese participation as well as one with the New Zealand dairy board. And a Sakhalin import-export agency has been set up to handle the region's border trade (the region includes the Kurile Island chain). Direct ties have been opened with China, Vietnam, Australia, New Zealand and South Korea.

Even the local branch of Gostelradio, which runs television and radio broadcasting, is taking decentralisation seriously. Since Moscow has refused it permission to open its own foreign-currency account, the station has started to work with Japanese television teams on a non-cash basis. The result is that Sakhalin Gostelradio now owns seven video cameras, more than the Leningrad branch, and has paid for its own trips to Japan by receiving Japanese crews.

Links with Japan are developing in several ways. Japanese now regularly come from Hokkaido to visit family graves. But Soviet sceptics still suggest the Japanese are more interested in reasserting their ancestral right to the southern portion of the island than in making profits. Japan had official possession of Sakhalin below the 50th parallel between 1855 and 1875, and again between 1905 and the end of World War II.

But the 14 July announcement in Tokyo that the Sakhalin Oil Development Cooperation Co., a Japanese consortium, was reviving a moribund project to develop oil and gas on the Sakhalin shelf, may prove the sceptics wrong.

According to the latest plan, the consortium, which is 42.9% owned by Japan's Oil Development Corp., would invest US\$2 billion in the project, to match a Soviet contribution. Negotiations, suspended in 1986 when oil prices nosedived, may be finalised in August in Moscow, during a meeting of the Japan-Soviet Joint Economic Council, an organisation of private-sector representatives. If the project goes ahead, crude oil exports to Japan would begin in 1994. Meanwhile, the New Orleans-based McDermott

Corp. is negotiating a joint-venture agreement to survey for oil and gas.

Within the framework of their 1987 integrated development plan, the Soviets are also promoting the development of a gas-chemical complex for the eastern shore of Sakhalin which would produce ethylene, propylene and polythene products. So far no partners have come forward, but during July potential Japanese participants met representatives of the Ministry of Chemical Production. Local officials say that their ecological standards for the project will be stringent.

Away from the glare of publicity reserved for billion dollar deals, two more modest joint ventures have actually started operation. They are based on what is still Sakhalin's main industry — fishing. Diana is a Rbl 7-million (US\$11.13 million) partnership between Sakhalinrybprom, a branch of the Far Eastern Fisheries Ministry, and three Japanese firms — Tayo Gyogyo, Monikawa Trading Co. and Kitataiheiyo Gyogyo.

The Japanese are supplying credits to re-equip the venture's leased ships with up-to-date processing equipment, and to build an on-shore factory. The main product will be



Sakhalin ports central control.

its control, but they hardly ever come here," complains Valery Belonosov, the communist party's regional secretary for ideology. The Khabarovsk Institute for Economic Research has in fact been awarded a contract to develop a plan to push the economy towards financial autonomy. But Belonosov believes it will be at least 10 years before the territory can enjoy such freedom. As for profit-and-loss accounting, one of the keystones of Soviet leader Mikhail Gorbachov's restructuring, the party official admits that it still is not being applied. "We still pay people simply for showing up at work," he says.

"We don't have enough competent people — economists, lawyers," explains Victor Kovinko, one of the leaders of the nascent popular front on Sakhalin, now

surimi, the mixed fish made from pollock, for which the Japanese apparently have an insatiable appetite. So far, says Anatoly Lunin, Diana's general director, their profits are higher than anywhere else in the Sakhalin fishing industry.

Another larger venture, named after the River Pilinga, will harvest and farm sea scallops and salmon, again using Japanese technology. The Japanese partner, Hokkujo Godo Suisan, owns 49% of the Rbl 24 million enterprise. They hope to process the salmon by freezing or smoking it, and get away from the traditional low-quality Soviet tinned fish products. Scientific-technical director Vladimir Tabunkov says there are also plans to process biologically active agents in the waste from salmon processing and other sea products.

Island dispute continues to mar Soviet-Japanese ties

Bleak prospects

By Sophie Quinn-Judge in South Kurilsk, Kunashir

After years of secrecy, the Soviet Union is beginning to open up the four southern Kuril Islands, which it occupied in 1945. Japan claims these islands — Iturup (Etorofu), Kunashir, Shikotan and the Habomai group — as its "northern territories," and says they are not technically part of the Kuriles chain. The Japanese have refused to sign a peace treaty formally ending World War II with the Soviet Union until the islands are returned.

But in early July, the first visit to the Southern Kuriles by any non-communist foreigners since the Red Army moved in, gave the Soviets their turn to stake a counter-claim. The three-day visit by five foreign correspondents to Kunashir island coincided with the 250th anniversary of the first Russian landing in the Southern Kuriles. The message was clear: the islands are now thoroughly Soviet and no one is contemplating a swap of territory for Japanese credits and technology.

From Kunashir's airport, on the slope of a volcano, the cliffs of Hokkaido are clearly visible across the 39-km strait that separates the two islands. But Japan and its economic miracle could be thousands of miles away: Kunashir is a distant, undeveloped outpost of Soviet power with few traces left of the Japanese who lived there before their repatriation in 1948. This island, at least, appears to be anything but a threatening military garrison.

The airport, where the runways are surfaced with what islanders say is US military-issue perforated steel sheeting, can be closed for weeks at a time during the spring thaw when the ground becomes water-logged. The largest aircraft it can handle is the 48-seat Antonov 24 turboprop. South Kurilsk, the island's main settlement and regional capital, has only a makeshift log pier. The ships which resupply the island unload their cargoes and passengers — everything from newsprint to fresh contingents of border guards — onto barges offshore.

Why anyone would want to fight over the Kuriles is, at first glance, unclear. They are caught in an almost permanent fog bank, where warm and cold ocean currents meet. Warm sunshine is guaranteed only in August and September, and the boat trip

from the Sakhalin port of Korsakov is likely to become a 38-hour odyssey if the weather turns foul. The Soviet Government has to pay workers, most of whom are employed in the fishing industry, twice the wages they would earn in the western part of the country, with increments bringing this up to 2.8 times standard pay after five years' residence.

South Kurilsk, located on the island's Pacific coast, could at best be called weather-beaten — its tar-papered houses giving it the air of a makeshift shanty town. Wooden and steel walkways bypass the muddy, unpaved streets. Frequent low-intensity earthquakes crack the plaster inside homes and force local people to keep furniture and possessions close to the ground. They learn to start counting when they feel the tremors start. "I count to 13 and if the quake is still gathering force, I run outside," one resident explained. No one on the islands, though, seems particularly worried by its four active volcanoes, one of which, Tyatya, last erupted in 1973.

To long-term Kunashir residents, the island's attraction is simple. Aside from high salaries and the closeness engendered by



Phevardnadze and Nakasone: no treaty in sight.

living within a small community, they now consider it home. "I was born and studied on Shikotan and it's my native place," Masha Kuzevanova, deputy editor of the local newspaper says. "We have a fourth generation now being born here," says schoolteacher Fyodor Pyzhyanov. Two-thirds of the Southern Kuriles region's 7,800 population now live there permanently, he estimates. The Soviets do not include Iturup in the region — it is administratively in the Central Kuriles.

Asked whether he thought it had been a mistake to repatriate the remaining Japanese from the islands in 1948, 78-year-old builder Grigory Kochetov said "it's hard to say — everyone has his homeland. Ours was here, theirs was in Japan." He was one of the first civilian Russians to arrive in 1946. The departing Japanese received no compensation for the houses and belongings they left behind. "They took with them everything they needed," Kochetov said. The Soviets had little regard for the wooden Japanese houses. "They had only sliding doors and were heated by iron stoves," Kochetov said, adding "we improved them by putting on permanent doors and insulating them with sawdust." During our visit we met only one resident of Asian extraction: Ivan Kim, of Japanese-Korean parentage, from Sakhalin. He is the president of a cooperative dealing in scrap metal and marine products.

Many of the early settlers, such as Lyubov Nepryanina from Saratov, came from the western Soviet Union, where their homes had been destroyed during the war. She admits that when she arrived in the Kuriles with her husband and two-month-old son in 1949, she thought she had made a mistake. "We lived very poorly — now we live at a higher level. In the first years you had to wait in line at the well for water — the government only started to build a piped water system in the 60's," she says.

Five years ago work started on the regional party headquarters and wooden apartment buildings on a hill overlooking the small harbour. Until then, the town had clustered along the shorefront, where tsunami tidal waves are a constant threat. Now, after 28 years' work in the local fish processing plant, Nepryanina lives on a pension of Rbl 132 (US\$200) a month. Her son has moved to South Sakhalinsk, but a daughter — married to a military man — has stayed in the Kuriles with her children.

The 2 July commemoration of the first Russian landing in the Southern Kuriles gave these old-timers a chance to assert their roots and the legitimacy of the Soviet claim to the islands. For the island's youngsters it was the chance to hold a disco under the watchful eye of Lenin in the town square. The celebrations were organised in the hope of attracting major Japanese media coverage. The propaganda impact was weakened, however, by the last-minute decision of most Japanese media not to risk their Foreign Ministry's sanctions against companies visiting the islands on Soviet visas. Only the small PA news organisation sent a television crew to record the event.

The event being commemorated centred on a Danish sea captain, Martin Spanberg,

himself by Tsar Peter the Great to take part in Vitus Bering's exploration of the Arctic and the Northern Pacific. His landing on Shikotan in 1739 was re-enacted in full dress, with a family of long-time residents playing welcoming Ainu — the region's indigenous people — on the town beach. Earlier Russian explorers had mapped some of the Kuriles in 1711-13, and more accurately in 1720-21. As Soviet historians point out, this was during the Shogunate, when Japanese were forbidden to travel beyond the home islands on pain of death. The Soviets admit that Spanberg was a less than model leader. He sold his stocks of flour to his crew at extortionate prices, and was vengeful towards his more capable subordinate, Englishman William Walton.

By 1828, the Russian-American Co. had established a trading outpost on the island of Urup, just north of the disputed Iturup. By this time the Japanese had become more outward looking; in 1786 they had sent two of their own expeditions to the Kuriles. In 1800 they established their first fort on Iturup. The 1855 Shimoda treaty between the two powers fixed the border between Iturup and Urup until 1875, when another treaty gave the Japanese jurisdiction over all the Kuriles in exchange for Russian possession of Sakhalin island.

The anniversary was organised by a local citizens' group, the Frigate Society, with help from the party secretary for ideology. The Frigate Society appears to be the Soviet answer to the Japanese societies for the return of the northern territories, which stage nationwide demonstrations every 7 February. Led by 54-year-old Fyodor Pyzhyanov and composed mainly of his ex-students, it is what the Soviets call a "local studies" society. Pyzhyanov has acquired an encyclopaedic knowledge of the islands' unique geology, as well as early Russian exploration and settlement. Small, bearded and energetic, he undoubtedly has the right qualities to succeed at "people-to-people diplomacy," one of the methods the Soviets are banking on to defuse the northern territories issue in Japan.

The Frigate Society has issued a formal invitation to the Northern Territories Society of Hokkaido to visit Kunashir, along with a group due to visit the island's four Japanese cemeteries later this summer. Such groups come directly from Hokkaido without being issued Soviet visas. Last year one visited graves on uninhabited Habomai island. Pyzhyanov is taking on the task of clearing up the overgrown cemeteries.

Leonid Stashkevich, the new director of Kunashir's 65,000-ha nature reserve — where brown bear roam and ordinary plants grow to gigantic proportions — is already a successful citizen diplomat. While director of the Wrangel Island nature reserve in the Arctic Ocean, he gained favourable publicity for the Soviet Union by participating in an international campaign to save a threatened species of wild geese. Now ornithologists on his staff are helping their Japanese counterparts on Hokkaido track threatened species — all by mail so far. "But we would like to invite them to visit," his deputy Mikhail Dykhan says. According to Pyzhyanov, though, the single most important ecological question for the Kuriles is how to preserve their rich schools of fish. "This can't be put off until a solution of the territorial problem," he emphasised.

Although the Soviets may manage to give the Kuriles a more human face, their efforts to improve their image in Japan can only go so far towards defusing the territorial issue, Western diplomats believe. And assertions of historical legitimacy

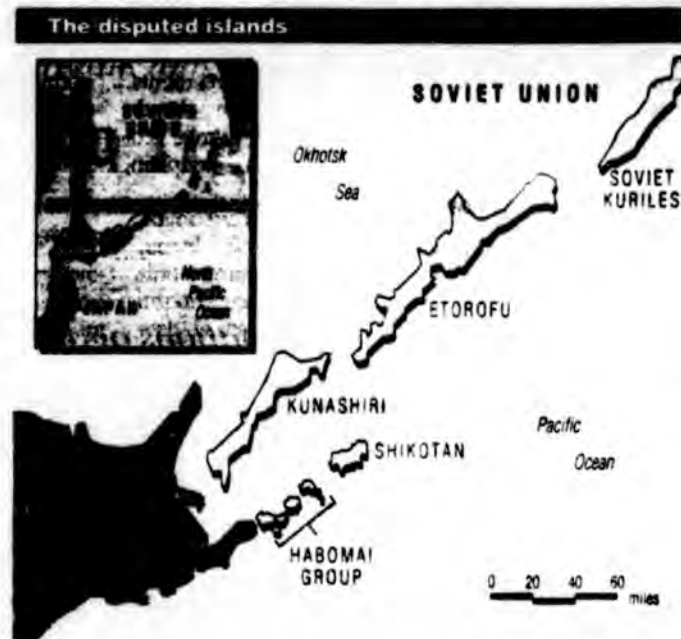
realists. Three sessions of a peace treaty working group, in which the Soviets have agreed to discuss the territorial issue, have already been held, and a fourth is due later this year.

The most compelling reason for hanging onto the Southern Kuriles is rooted in realpolitik. The Soviets believe they cannot risk setting a precedent for tampering with their post-war boundaries, established by Great Power agreements at Yalta and Potsdam. Had they signed the 1951 San Francisco peace treaty, in which the Japanese agreed to abandon the islands, they would have an international treaty to support their claim. Stalin's reasons for refusing to sign are obscure — Soviet Asia specialists now say ruefully that failure to sign was a major mistake. For its part, the US placed its support firmly behind the Japanese claim by May 1957. In a note to the Soviet Government, the US stressed that the term "Kurile Islands" in the San Francisco peace treaty and the Yalta agreement did not include the Habomais, Shikotan, Kunashir and Iturup.

When Japan and the Soviet Union normalised their diplomatic relations in October 1956, their joint declaration called for further negotiations to conclude a peace treaty. At that time the Soviets stated their agreement to hand over the Habomai Islands and Shikotan to Japan on conclusion of a peace treaty. But after the extension of the US-Japan security treaty in 1960, Soviet willingness to return the islands evaporated. Ever since, growing US-Japanese strategic cooperation has been a major obstacle to the improvement of Soviet-Japanese relations.

When agreement was reached on normalising US-Chinese relations in 1978 and the Japanese signed a peace treaty with China, this also saw the start of a new period of heightened tension between the Soviet Union and Japan over the disputed islands. In 1979, Japan's Self Defence Agency charged that the Soviet Union had deployed new military forces and was constructing new military facilities on Kunashir and Iturup. Later they announced that forces had also been deployed to Shikotan. Western sources say that a motor rifle division was deployed to the islands around this time, as well as more advanced fighter aircraft. The Soviets, on the other hand, saw Japan developing into — in former Japanese prime minister Yasuhiro Nakasone's words — "an unsinkable aircraft carrier" for the US.

Western experts now believe that the military arguments for retaining the islands are



carry little force in international law. With seemingly little hope of a quick resolution to this territorial dispute, just how long will the Soviet Union maintain its claim at the expense of finally signing a peace treaty with its powerful neighbour?

Even Japanese diplomats admit that in this time of glasnost, the Soviets cannot neglect the voices of the people living on the islands. "Frankly speaking, the situation is getting more difficult," one told the REVIEW. This analysis was borne out by a leader of an informal democratic group on Sakhalin. "How can [Soviet Foreign Minister Eduard] Shevardnadze hold talks about the return of the Kuriles without consulting the people?" he asked in a private conversation with jour-

no longer as strong as they were. The need to protect sea passages to the Pacific from the Sea of Okhotsk for ballistic missile-carrying submarines has been overtaken by the development of new long-range missiles, carried in submarines deployed close to the Soviet mainland. And though Western sources say the Soviets still have elements of one army division, if not a full division, on the islands, they do not believe an attack on Hokkaido could be mounted from the Kuriles — Sakhalin would be the obvious staging point.

When Lieut-Col Anatoly Kleshchukov, referred to as the regimental commander on Kunashir, met reporters on 3 July, he claimed that "we don't have the strength or possibilities to attack Japan." He said he knew of no plans for troop reductions in the Kuriles, within the framework of overall troop cuts now planned for the Soviet Far East. But he did explain that, in line with the new Soviet doctrine of defence sufficiency, some changes had taken place in the equipping of his forces and in their training exercises. "We do not practise attacking manoeuvres," he said.

Soviet Deputy Foreign Minister Igor Rogachev confirmed in May during the visit of his Japanese counterpart to Moscow, that the Soviet Union did not consider the US-Japan security partnership to be an obstacle to a peace treaty with Japan. "The meaning of the US-Japan security treaty will evidently lessen after the conclusion of the agreement on medium-range missiles," he told journalists.

The understanding among diplomats in Moscow now is that the Soviets will not make any more unilateral peace initiatives in the Pacific until they get an answering move from the US and Japan. But having reduced the tension on their border with China, their perception of a military threat in the Far East obviously has changed.

If the military face-off loses its intensity, economic aspects of the Japan-Soviet relationship may be the decisive factor in an eventual solution of the territorial question. "Ultimately, everybody knows that the Soviets will have to deal with Japan," a Western diplomat in Moscow told the REVIEW. "But this may be farther down the road than anyone realises," he added. The Soviets are not yet ready to fully open Vladivostok, for example, or to absorb large-scale credits. And the Japanese have, since the 1970s, found alternative sources of raw materials. "Every indication from Tokyo is that they can wait," the diplomat said. "The Soviets have alternatives to the Japanese, and the Japanese don't need the Soviets."

But during the reporters' visit, the local leaders did not hide their interest in getting Japanese help to develop the Kuriles. If there were foreign partners wanting to invest money in the islands, it would be easier

to open them up, Yevgeny Soldatenko, head of the regional party committee, said. The local authorities believe that the development of the hot mineral springs on Kunashir as international tourist centres would be a good investment. The 98% pure sulphur deposits on Iturup could also be exploited under joint partnership, officials on Sakhalin say. They did not mention what are rumoured to be rich deposits of titanium in the black sands of Kunashir.

However, it is the rich fishing grounds around the islands which give the Soviets their greatest incentive for keeping them, and which also probably provide the greatest potential for cooperation. The confluence of warm and cold ocean currents off Shikotan forms one of the three richest fishing banks in the world, the local people say. It is a devastating indictment of the Soviet economy that they have been unable to make a profit out of their reserves of salmon, herring, crab and scallops. The regional authorities collected Rbl 647,00 in poaching fines this year.

Rbl 15 million in annual subsidies. Now, in order to cut high labour costs, they are planning to thoroughly mechanise their processing industry. For this, however, they want foreign partners and equipment.

Under annually renewed agreements, Soviet and Japanese fishermen already jointly exploit their respective 12-mile economic zones. The Soviets complain,

though, that the fast Japanese trawlers often ignore international fishing quotas when they are in the Soviet zone. They also use illegal methods to catch crabs and fail to return egg-bearing females to the sea.

When caught, Japanese fishermen often use the argument that they are in Japanese territorial waters. Local fish inspectors claim the Japanese authorities do little to discourage these violations. So far the Sakhalin authorities have collected Rbl 647,00 in poaching fines this year.

The Japanese, too, are making some adjustments to the spirit of perestroika. When the then foreign minister Sosuke Uno visited Moscow in May, he announced that the conclusion of a peace treaty, while the most important aspect of relations, was not the only way to improve them. As he told a press conference, the development of business ties in a "correct and realisable way" was another way to improve the relationship.

It is clear that the Japanese are planning to develop all fields of the relationship together, which means that the Soviet Union cannot bypass the territorial issue. But the solution of the territorial issue is not a prerequisite for the development of relations. Diplomats also pointed out that the economic relationship is governed by economic principles: Japan obviously has no intention of restraining its business if there is a profit to be made.

CHINA

Report details allegations against Zhao

Capitalist crimes

By Robert Delfs in Peking

The most detailed presentation so far of the Chinese Government's version of the turmoil of May and June has been revealed in an investigative report by Peking Mayor Chen Xitong. The report attempts to link former party chief Zhao Ziyang and prominent Chinese liberal intellectuals to what it called "a political conspiracy" in collusion with Western political forces whose eventual aim was to bring China "under the rule of international monopoly capital" and to adopt capitalism.

The accusations in Chen's report, presented to the National People's Congress standing committee on 30 June, could serve as the basis for future criminal or party discipline charges against Zhao and key liberal intellectuals. The intent of the charges appears to be not merely to target these officials and intellectuals as individuals, but also to define as heretical the ideas and

concepts with which they are associated.

The allegations of collusion with foreign enemies in theory could be used to justify capital charges against the plotters if the current events are a prelude to a much more serious anti-Western campaign. A recent editorial in the party newspaper, the *People's Daily*, charged that foreign forces, having failed in the 1950s to overthrow communism through direct confrontation and armed attacks, had adopted a new strategy of combining economic and technical aid with "spiritual weapons" of Western political concepts. By using economic pressure and supporting liberal elements in China, the US and other Western governments sought to bring about an internal collapse of the socialist system through peaceful evolution, the editorial said.

But what is most striking in Chen's report is the weakness of the substantive charges, which ultimately hinge on the presumed intent of the plotters to "overthrow the leadership of the Chinese Communist

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 CTEC mtg.

- 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 | |



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

8 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

Divie Belknap - Chair of Board - Executive Director

Bill Riddley
 Advisor - Charlotte Haring (Ch-ko)
 Charlotte Haring (Vice President-Board)
 Port Kennedy (Chairman-CPA)
 Sharon Cook (Sec of Bldg)
 Mary Pease
 Mike Coby
 Carol Jorgensen (ANS-Board)
 Advisor - Tom Stewart
 (President)

May 1985
 APAP - moved into Tishman

LC : Sam, Quinn, - Here
 1500 - Senate
3000 - total for Sam & Quinn

Foreign Minister for S. Africa - Grassman
 Head of Supreme Court -

5 or 6 officials
 80 or 90 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
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Juneau, Alaska 99811
(907) 465-4978/4979

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(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.

Heath

GOVERNOR'S OFFICE OF INTERNATIONAL TRADE
3601 C STREET, STE. 798
ANCHORAGE, AK. 99503
Phone: (907) 561-5555
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.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**



UNIVERSITY OF ALASKA ANCHORAGE

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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

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Number of Pages including Cover:

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9/6/88

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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.

Tundra Times

Alaska's Oldest Statewide Newspaper

50¢

September 12, 1988

Vol. XXV

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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

(Continued on Page Ten)



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

See Soviets, page A-8



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-8

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 Kulin, 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

See Greeting, page A-8



ASSOCIATED PRESS

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

Greeting: 'Joyous'

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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 Golodergin, 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 Golodergin 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 Kymytval, through a translator. "My poor housewife's eyes are popping out of my head looking around the room."

In a kitchenware shop, Kymytvae 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.

SCOMM

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University of Alaska Anchorage
ALASKA CENTER FOR INTERNATIONAL BUSINESS
Conference
PACIFIC RIM FISHERIES:
BUSINESS DEVELOPMENT & POLICY

CONFERENCE SUMMARY

March 13th, Monday

Reception hosted by Governor's Office of International Trade

March 14th, Tuesday

Governmental leaders from each country will discuss their fisheries policies that affect fisheries business development. Following the country presentations, an industry review panel will comment on the business/policy relationship of each country.

Government Participants:

Ambassador Edward E. Wolfe, Deputy Assistant Secretary of State for Oceans and Fisheries Affairs, U.S. Department of State.

Dr. William Evans, Undersecretary for Oceans and Atmosphere, U.S. Department of Commerce.

Dr. V. K. Zil'anov, Deputy Minister, Ministry of Fisheries of the Soviet Union.

Mr. She Danu, Director, Bureau of Aquatic Products China Ministry of Agriculture.

Mr. Lee Dong-Bai, Administrator, National Fisheries Administration of the Republic of Korea.

Mr. Kazuo Shima, Councillor, Fisheries Agency of Japan.

A leading Government Official will represent the Canadian Department of Fisheries and Oceans.

March 15th, Wednesday

Panels comprised of industry representatives, academicians and researchers representing each country will discuss the following business topics:

"Development and Marketing of Fishery Products"

"International Fisheries Business Cooperation in the North Pacific"

"Science and Technology in Fisheries Business"

"Future of Alaska's Fishing Industry"

University of Alaska Anchorage
ALASKA CENTER FOR INTERNATIONAL BUSINESS
Conference
PACIFIC RIM FISHERIES:
BUSINESS DEVELOPMENT & POLICY

Statement of Purpose

The purpose of the conference is to exchange information on national fisheries policy programs that affect fisheries business, and how these programs affect business. In this way the conference seeks to enhance opportunities for fisheries business cooperation among northern Pacific nations.

Northern Pacific Rim fisheries provide business benefits to four billion residents of the United States, Canada, the U.S.S.R., the PRC, the Korea's and Japan. The coastal harvests by these countries and their accumulated North Pacific catches represent approximately 30 per cent of the world fisheries harvest. Much of this harvest enters international trade between Pacific Rim nations or is taken in conjunction with international business investments.

In order to achieve a constructive focus, governmental speakers are being asked to explain how fisheries policies are formulated and adopted in their countries. This will include explanations of the relative role of fisheries vis a vis other industries, the sources of political influence in fisheries and the nature of other interests such as political, economic, social, etc. that compete with fisheries needs. In this context, each country speaker will be able to offer specific examples of fisheries policies that have been developed in each Pacific Rim country to benefit business.

In order to assure a constructive conference focus, speakers will not be directing their attention to other countries' fisheries policies. In addition, the conference will not address issues that are the subject of current, ongoing international fisheries negotiation.

University of Alaska Anchorage
ALASKA CENTER FOR INTERNATIONAL BUSINESS
Conference
PACIFIC RIM FISHERIES:
BUSINESS DEVELOPMENT & POLICY

HISTORY OF CONFERENCE

The concept for an international fisheries business conference originated in 1988 during discussions among differing scholars involved in Pacific Rim fishing studies. Originally conceived as a business-oriented program, the often direct implications of governmental policies on fisheries business could not, however, be avoided. Therefore, the conference has been designed to allow governmental officials to describe fisheries policies that affect fisheries business. Then industry leaders, academicians and others knowledgeable in fisheries will comment on the business/policy relationship based on their experience.

In this regard, the close relationship between business and policy has also been recognized in other countries. Unfortunately, understanding of other countries' fisheries policies seems restricted to issues being subjected to international negotiation. Therefore, the conference seemed to represent an unusual comparative opportunity to learn how fisheries policies are formulated in other northern Pacific Rim countries and review the actual operation of such policies on fisheries business.

We believe the conference will contribute to a mutual understanding of the complex relationship between business and policy that confronts all Pacific Rim nations.

University of Alaska Anchorage
ALASKA CENTER FOR INTERNATIONAL BUSINESS
Conference

PACIFIC RIM FISHERIES:
BUSINESS DEVELOPMENT & POLICY

REGISTRATION

The Pacific Rim Fisheries Conference will be held **March 14-15, 1989** in Anchorage, Alaska. Hotel location will be at the Hotel Captain Cook. Special room rates are available for participants specifying Pacific Rim Fisheries Conference.

Registration includes all programs, materials, welcoming reception the evening of the 13th, 2 lunches, and a crab dinner. Spouses are welcome to participate in the reception, lunches and dinner for an additional fee as shown below. Participants are responsible for making their own hotel reservations. Specify Pacific Rim Fisheries Conference for special rate.

NAME
TITLE
AFFILIATION
ADDRESS
CITY
STATE/COUNTRY/ZIP
TELEPHONE

To Register by Mail: Mail this registration form with your check or credit card information to the Alaska Center for International Business, ATTN: Pacific Rim Fisheries Conference, 4201 Tudor Centre Drive, Ste. 120, Anchorage, AK 99508. Your name will appear on a badge and conference attendance list as shown on this form. If additional registration forms are needed photocopying is acceptable.

To Register by Phone or FAX: Call ACIB at (907) 561-2322 or FAX (907) 561-1541 for prompt registration.

Registration Fee. The conference fee is \$230.00. Fee includes \$50.00 non-refundable processing fee. Participant substitution is permitted.

FEE ASSESSMENT:

Conference Fee \$230.00

Fees for Spouse:

Lunch - Day I \$15.00
Lunch - Day II \$15.00
Dinner - Day I \$35.00

Total Additional for Spouse

TOTAL FEE:

\$ _____

Please circle seating preference:
Non-smoking **Smoking**

Enclosed is a check made payable in U.S. dollars to UAA, ACIB for \$ _____

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for J. J. Bentley

2

University of Alaska Southeast
School of Business and Public Administration

MARKETING ALASKA'S FISHERIES PRODUCTS IN JAPAN

Speaker: MR. TOM ASAKAWA

Fishery Trade Officer in U.S. Embassy
Japanese citizen who studied in U.S.

Date: February 22, 1989

**Place: UAS Bill Ray Center
Room 153**

Time: 9:00 to 9:30am - informal reception

9:30 to 11:30am - SEMINAR

Subject: Utilization of salmon, bottomfish and other Alaska fisheries products in Japan, future prospects for Alaska fish, import barriers- quotas, tariffs, etc., contacting an importer, role of Embassy, and more...

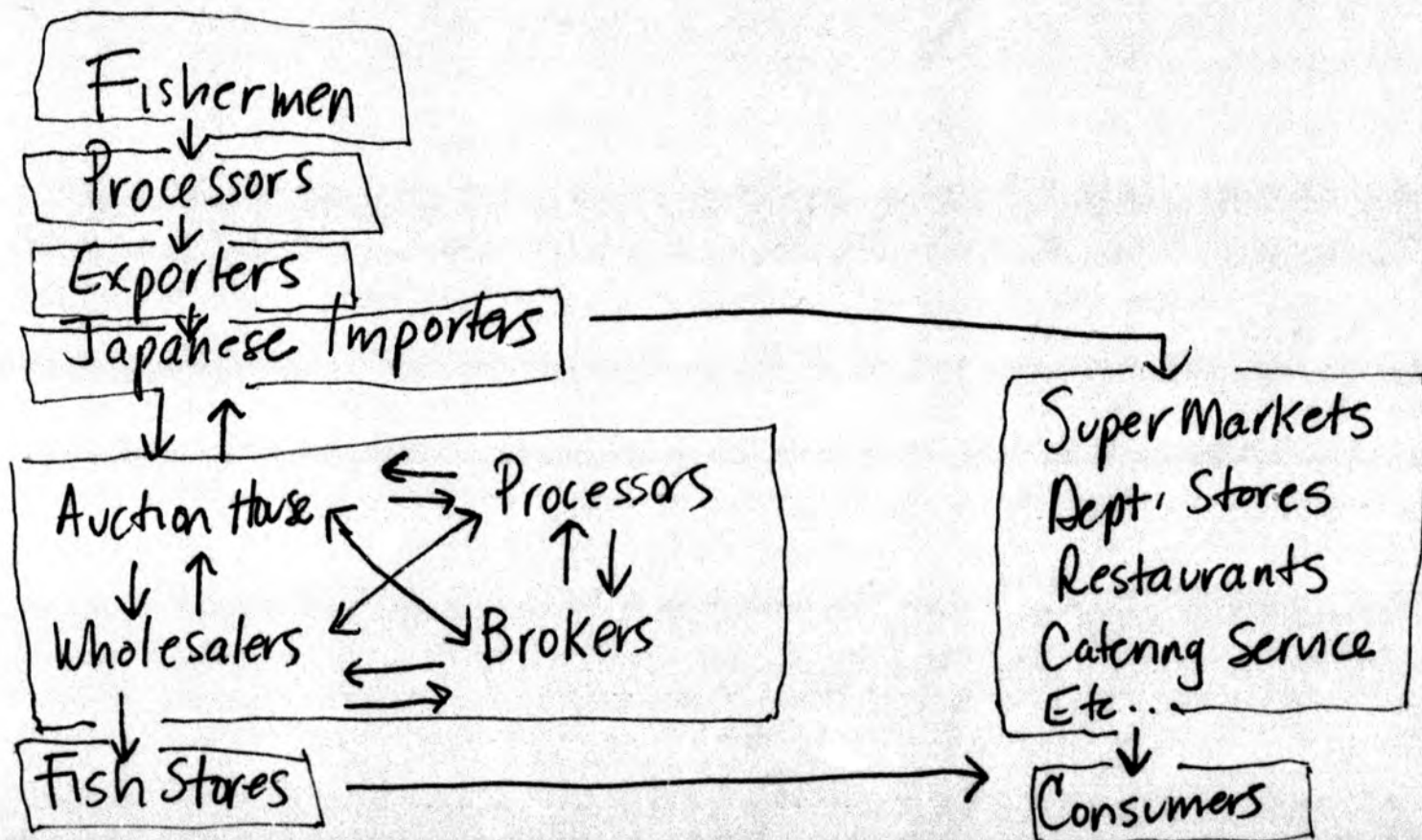
Contact Madeleine at 789-4402 for more information

T. Asakawa, Fishery Trade Officer
U.S. For. Comm. Service
Dept. of Commerce
U.S. Embassy (Tokyo)
c/o APO San Francisco
813 - 224 - 5077

AK + 18 hrs

Fax 813 589 4235

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*---Christie Choko Gissberg
Bicultural Specialist*

**Led by Christie Choko Gissberg
Tuesday February 28
11:30 - 1:30
Bill Ray Center Room 155
No Charge**

For more information Please call 789-4402

Co-sponsored by the
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