

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
5778 HOUSE JUDICIARY

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. MARTIN

TO: CSHB 255(SA)

Page 1, line 7:

Delete "and"

Insert ", "

Page 1, line 9, after "debt":

Insert ", and to the allowable absence for military service for purposes of the permanent fund dividend program"

Page 4, line 14:

Insert a new bill section to read:

"* Sec. 8. AS 43.23.095(7) is amended to read:

(7) "state resident" means an individual who is physically present in the state with the intent to remain permanently in the state or, if the individual is not physically present in the state, intends to return to the state and is absent only for any of the following reasons:

(A) vocational, professional, or other specific education for which a comparable program was not reasonably available in the state;

(B) secondary or postsecondary education;

(C) [MILITARY] service in the military forces of the

United States or to accompany as a spouse or dependent a person serving in the military forces of the United States; notwithstanding AS 43.23.005(a)(3), to remain eligible under this subparagraph, an individual must be physically present in the state at some time between each tour of military duty;

(D) medical treatment;

(E) service in Congress;

(F) other reasons which the commissioner may establish by regulation; or

(G) service in the Peace Corps;"

Renumber the following bill sections accordingly.

6-1111H
Cook
7/25/90

Original sponsor(s): REP. BOYER

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 255 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to permanent fund dividends for
7 certain individuals convicted of crimes and to the
8 exemption for permanent fund dividends from remedies
9 for the collection of debt; and providing for an
10 effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. AS 18.67.162 is amended to read:

13 Sec. 18.67.162. CRIME VICTIM COMPENSATION FUND. There is cre-
14 ated a crime victim compensation fund which shall be administered by
15 the Violent Crimes Compensation Board. The fund consists of money
16 appropriated to it by the legislature and of deposits made under (b)
17 of this section. The fund shall be administered in accordance with
18 the provisions of this chapter. Money distributed from the fund shall
19 be in addition to other sources of compensation provided in this
20 chapter.

21 * Sec. 2. AS 18.67.162 is amended by adding a new subsection to read:

22 (b) Notwithstanding any other law, the Department of Revenue
23 shall withhold all but \$50 from the permanent fund dividend of each
24 individual convicted of an offense listed under AS 18.67.101 and pay
25 that amount into the crime victim compensation fund. A payment into
26 the fund under this subsection has priority over other claims to the
27 dividend except those listed under AS 43.23.065(b)(1) and (2). Money
28 shall be withheld under this subsection from a dividend for a year if,
29 as a result of the conviction of an offense listed under AS 18.67.101,

1 the individual was, for a period of at least 10 consecutive days
2 during the 12-month period beginning April 1 of the prior year, ,

3 (1) in a correctional facility;

4 (2) on furlough under AS 33.30.101 - 33.30.131;

5 (3) in a community residential center as a condition of
6 probation or parole; or

7 (4) in a correctional restitution center under AS 33.30.-
8 151 - 33.30.181. *on probation or parole deleted.*

9 * Sec. 3. AS 43.23 is amended by adding a new section to read:

10 Sec. 43.23.007. DIVIDENDS OF INCARCERATED INDIVIDUALS. (a)
11 Notwithstanding the application requirements of AS 43.23.005, only the
12 Department of Corrections may apply during a year for a dividend for
13 an individual who was incarcerated for a period of at least 10 con-
14 secutive days during the 12-month period beginning April 1 of the
15 prior year. An application under this subsection must be signed by
16 the individual and the commissioner of corrections or an employee of
17 the Department of Corrections authorized by the commissioner to sign
18 applications.

19 (b) The Department of Corrections shall notify each individual
20 subject to the requirements of this section of those requirements and
21 shall apply for a permanent fund dividend for each of those indivi-
22 duals who qualifies for a dividend and agrees to sign the application.

23 (c) The Department of Corrections shall, by June 30 of each
24 dividend year, provide the Department of Revenue with a list of all
25 individuals for whom the Department of Corrections has applied for a
26 dividend under this section and all individuals who were incarcerated
27 for a period of at least 10 consecutive days during the 12-month
28 period beginning April 1 of the prior year for whom the department has
29 not applied for a dividend. The Department of Revenue shall pay a

1 dividend to the Department of Corrections for each individual who is
2 eligible for a dividend and on whose behalf a timely application was
3 filed by the Department of Corrections. The Department of Corrections
4 shall hold in trust each permanent fund dividend it receives and shall
5 pay the dividend to the individual upon the individual's release from
6 incarceration or upon receipt of the dividend, whichever is later.

7 (d) In this section, "incarcerated" means incarcerated as a
8 result of conviction of a felony

9 (1) in a correctional facility;

10 (2) on furlough under AS 33.30.101 - 33.30.131;

11 (3) in a community residential center as a condition of
12 probation or parole; or

13 (4) in a correctional restitution center under AS 33.30.-
14 151 - 33.30.181.

15 * Sec. 4. AS 43.23.015(e) is amended to read:

16 (e) Except as provided in AS 43.23.007, if [IF] a public agency
17 claims a permanent fund dividend on behalf of an individual, the
18 public agency shall hold the dividend in trust for the individual.
19 Money held in trust under this subsection shall be invested by the
20 commissioner in accordance with AS 37.10.070.

21 * Sec. 5. AS 43.23.035 is amended by adding a new subsection to read:

22 (d) An individual who knowingly violates AS 43.23.007(a) is
23 guilty of a class A misdemeanor.

24 * Sec. 6. AS 43.23.065(a) is amended to read:

25 (a) Except as provided in (b) of this section, \$50 [50 PERCENT]
26 of the annual permanent fund dividend payable to an individual or to
27 the Department of Corrections under AS 43.23.007 is exempt from levy,
28 execution, garnishment, attachment, or any other remedy for the col-
29 lection of debt. This exemption applies to an eligible individual's

1 permanent fund dividend both before and after payment is made to the
2 individual.

3 * Sec. 7. AS 43.23.065(b) is amended to read:

4 (b) The following claims have priority in the order listed over
5 other claims on a dividend: [AN EXEMPTION IS NOT AVAILABLE UNDER THIS
6 SECTION FOR PERMANENT FUND DIVIDENDS TAKEN TO SATISFY] .

7 (1) child support obligations required by court order or
8 decision of the child support enforcement agency under AS 47.23.140 -
9 47.23.220;

10 (2) court ordered restitution under AS 12.55.045 - 12.55.-
11 051 or 12.55.100; or

12 (3) a debt owed by an eligible individual to an agency of
13 the state, unless the debt is contested and an appeal is pending, or
14 the time limit for filing an appeal has not expired.

15 * Sec. 8. AS 43.23.005(d), 43.23.025(b), 43.23.055(5), 43.23.055(6),
16 and 43.23.065(c) are repealed.

17 * Sec. 9. Section 5, ch. 54, SLA 1988 is repealed.

18 * Sec. 10. This Act takes effect immediately under AS 01.10.070(c).
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6-1111D
Cook
2/28/90

Original sponsor(s): REP. BOYER

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 255 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to permanent fund dividends for
7 certain individuals convicted of crimes, to costs of
8 administering the dividend program, to the exemption
9 for permanent fund dividends, to remedies for the
10 collection of debts involving dividends, and to the
11 priority of claims on a dividend; and providing for
12 an effective date."

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

14 * Section 1. AS 09.38.015(a) is amended to read:

15 (a) An individual is entitled to exemption of the following
16 property:

17 (1) a burial plot for the individual and the individual's
18 family;

19 (2) health aids reasonably necessary to enable the indi-
20 vidual or a dependent to work or to sustain health;

21 (3) benefits paid or payable for medical, surgical, or
22 hospital care to the extent they are or will be used to pay for the
23 care;

24 (4) an award under AS 18.67 (Violent Crimes Compensation
25 Board) or a crime victim's reparations act of another jurisdiction;

26 (5) benefits paid or payable as a longevity bonus under
27 AS 47.45;

28 (6) compensation or benefits paid or payable and exempt
29 under federal law;

1 (7) liquor licenses granted under AS 04;

2 (8) limited entry permits granted under AS 16.43, except as
3 provided in that chapter;

4 (9) that portion of a permanent fund dividend exempted
5 under AS 43.23.065(a).

6 * Sec. 2. AS 14.43.120(i) is amended to read:

7 (i) If a loan is in default, the commission shall notify the
8 borrower that repayment of the remaining balance is accelerated and
9 due by sending the borrower a notice by registered or certified mail.
10 The permanent fund dividend of a borrower may be taken under AS 43.-
11 23.065(b(4)) [AS 43.23.065(b)(3)] to satisfy the balance due on the
12 defaulted loan.

13 * Sec. 3. AS 43.23 is amended by adding a new section to read:

14 Sec. 43.23.007. DIVIDENDS OF INCARCERATED INDIVIDUALS. (a)
15 Notwithstanding the application requirements of AS 43.23.005, only the
16 Department of Corrections may apply during a year for a dividend for
17 an individual who was incarcerated at the time of application. An
18 application under this subsection must be signed by the individual and
19 the commissioner of corrections or an employee of the Department of
20 Corrections authorized by the commissioner to sign applications. An
21 individual who receives a dividend while incarcerated shall deliver
22 the dividend to the Department of Corrections.

23 (b) The Department of Corrections shall notify each individual
24 subject to the requirements of this section of those requirements and
25 shall apply for a permanent fund dividend for each of those indivi-
26 duals who qualifies for a dividend and agrees to sign the application.

27 (c) The Department of Corrections shall, by August 1 of each
28 dividend year, provide the Department of Revenue with a list of all
29 individuals for whom the Department of Corrections has applied for a

1 dividend under this section and all individuals who were incarcerated
2 at some time during the three-month period beginning April 1 of the
3 dividend year for whom the department has not applied for a dividend.
4 The Department of Revenue shall pay a dividend to the Department of
5 Corrections for each individual who is eligible for a dividend and on
6 whose behalf a timely application was filed by the Department of
7 Corrections. The Department of Corrections shall hold in trust each
8 permanent fund dividend it receives from the Department of Revenue or
9 from an incarcerated individual and shall pay the amount held in trust
10 to the individual upon the individual's release from incarceration or
11 upon receipt of the dividend, whichever is later.

12 (c) In this section, "incarcerated" means incarcerated as a
13 result of conviction of a misdemeanor or felony

14 (1) in a correctional facility;

15 (2) on furlough under AS 33.30.101 - 33.30.131;

16 (3) in a community residential center as a condition of
17 probation or parole; or

18 (4) in a correctional restitution center under AS 33.30.-
19 151 - 33.30.181.

20 * Sec. 4. AS 43.23.015(e) is amended to read:

21 (e) Except as provided in AS 43.23.007, if [IF] a public agency
22 claims a permanent fund dividend on behalf of an individual, the
23 public agency shall hold the dividend in trust for the individual.
24 Money held in trust under this subsection shall be invested by the
25 commissioner in accordance with AS 37.10.070.

26 * Sec. 5. AS 43.23.025(a) is amended to read:

27 (a) By October 1 of each year the commissioner shall give public
28 notice of the value of each permanent fund dividend for that year.
29 The public notice shall contain a statement disclosing the amount by

1 which each individual dividend has been reduced in order to pay the
2 costs of [ADMINISTERING THE PROGRAM AND] the hold harmless provisions
3 of AS 43.23.075 and the costs of administering the dividend program,
4 other than costs of administering AS 43.23.007. The commissioner
5 shall also include the statement on the stub attached to each indi-
6 vidual dividend check. The commissioner shall determine the value of
7 a permanent fund dividend by

8 (1) determining the total amount available for dividend
9 payments, which equals

10 (A) the amount of income of the Alaska permanent fund
11 transferred to the dividend fund under AS 43.23.045(b) during the
12 current year;

13 (B) plus the unexpended and unobligated balances of
14 prior fiscal year appropriations that lapse into the dividend
15 fund under AS 43.23.045(d);

16 (C) less the amount necessary to pay dividends from
17 the dividend fund in the current year under AS 43.23.055(3);

18 (D) less the amount necessary to pay dividends from
19 the dividend fund due to eligible applicants who, as determined
20 by the department, filed for a previous year's dividend by the
21 filing deadline but who were not included in a previous year's
22 dividend computation;

23 (E) less the costs of the hold harmless provisions of
24 AS 43.23.075 and the costs of administering the dividend program,
25 other than costs of administering AS 43.23.007;

26 (2) determining the number of individuals eligible to
27 receive a dividend payment for the current year; and

28 (3) dividing the amount determined under (1) of this sec-
29 tion by the amount determined under (2) of this section.

1 * Sec. 6. AS 43.23.065(a) is amended to read:

2 (a) Except as provided in (b) of this section, 50 percent of the
3 annual permanent fund dividend payable to an individual or to the
4 Department of Corrections under AS 43.23.007 is exempt from levy,
5 execution, garnishment, attachment, or any other remedy for the col-
6 lection of debt. This exemption applies to an eligible individual's
7 permanent fund dividend both before and after payment is made to the
8 individual. No other exemption applies to a dividend. If the divi-
9 dend is levied upon while in the possession of the department, the
10 department shall withhold from the creditor the amount of the dividend
11 that is exempt.

12 * Sec. 7. AS 43.23.065(b) is amended to read:

13 (b) An exemption is not available under this section for perma-
14 nent fund dividends taken to satisfy

15 (1) child support obligations required by court order or
16 decision of the child support enforcement agency under AS 47.23.140 -
17 47.23.220;

18 (2) court ordered restitution under AS 12.55.045 - 12.55.-
19 051 or 12.55.100; [OR]

20 (3) court ordered fines; or

21 (4) a debt owed by an eligible individual to an agency of
22 the state, unless the debt is contested and an appeal is pending, or
23 the time limit for filing an appeal has not expired.

24 * Sec. 8. AS 43.23.065 is amended by adding a new subsection to read:

25 (d) AS 09.38.080(c) and 09.38.085 do not apply to a levy on a
26 permanent fund dividend. The department shall include the case name
27 and number with a dividend or portion of a dividend delivered to the
28 court in response to a writ of execution. At the time payment is made
29 to the court, the department shall send to the individual at the

1 address provided in the individual's dividend application a notice
2 that contains

3 (1) notice that all or part of the individual's dividend
4 has been seized under a writ of execution;

5 (2) the name and address of the court that issued the writ;

6 (3) the case name and number for which the writ was issued;

7 (4) the amount seized; and

8 (5) notice that the individual has 30 days from the date
9 the notice is mailed in which to file with the court an objection to
10 the seizure if a mistake has been made.

11 * Sec. 9. AS 43.23.005(d), 43.23.025(b), 43.23.055(5), and 43.23.055(6)
12 are repealed.

13 * Sec. 10. Section 5, ch. 54, SLA 1988 is repealed.

14 * Sec. 11. This Act takes effect immediately under AS 01.10.070(c).
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Chapter 23. Permanent Fund Dividends.

Section

- 05. Eligibility
- 15. Application and proof of eligibility
- 25. Amount of dividend
- 35. Penalties and enforcement
- 45. Dividend fund

Section

- 55. Duties of the department
- 65. Exemption of permanent fund dividends
- 67. Claims of defaulted scholarship loans

Cross references. — For 1982 permanent fund dividend distribution, see § 19, ch. 102, SLA 1982, in the Temporary and Special Acts; for extension of application period for 1982 and 1983 dividends, see § 4, ch. 55, SLA 1983 and § 1, ch. 43, SLA 1984, respectively, in the Temporary and Special Acts.

Opinions of attorney general. — If

the legislature enacts any other distribution program which is consistent with the intent of the permanent fund dividend law (AS 43.23), any appropriation to implement that program will be exempt from the appropriation limit of § 16, art. IX, of the state constitution. 1983 Op. Att'y Gen. No. 01.

NOTES TO DECISIONS

Permanent fund dividend payments were made for "public purpose" within the meaning of Alaska Const., Art. IX, § 6. *Beattie ex rel. Beattie v. United States*, 635 F. Supp. 481 (D. Alaska 1986), *aff'd sub nom. Greisen ex rel. Greisen v. United States*, 831 F.2d 916 (9th Cir. 1987), *cert. denied*, U.S. , 108 S. Ct. 1469, 99 L. Ed. 2d 699 (1988).

Permanent fund dividend payments subject to federal income tax. — Permanent Fund dividend payments are income and, since these payments are not excludable from gross income as "gifts",

they are therefore subject to the federal income tax. *Beattie ex rel. Beattie v. United States*, 635 F. Supp. 481 (D. Alaska 1986), *aff'd sub nom. Greisen ex rel. Greisen v. United States*, 831 F.2d 916 (9th Cir. 1987), *cert. denied*, U.S. , 108 S. Ct. 1469, 99 L. Ed. 2d 699 (1988).

Payments received under Alaska's Permanent Fund Dividend Program are subject to federal income tax. *Greisen ex rel. Greisen v. United States*, 831 F.2d 916 (9th Cir. 1987), *cert. denied*, U.S. , 108 S. Ct. 1469, 99 L. Ed. 2d 699 (1988).

Sec. 43.23.005. Eligibility. (a) [Effective January 1, 1990] An individual is eligible to receive one permanent fund dividend each year in an amount to be determined under AS 43.23.025 if the individual applies to the department, and if

- (1) on the date of application the individual is a state resident;
- (2) the individual was a state resident for a period of at least 24 consecutive months immediately preceding April 1 of the current dividend year; and

(3) the individual has been physically present in the state at some time during the period beginning July 1 two years before the date of application and ending on the date of application.

(b) In determining the minimum period of an individual's residency required under (a)(2) of this section, the department may include months of residency both in the current year and in the immediately preceding year.

(c) A parent, guardian, or other authorized representative may claim a permanent fund dividend on behalf of an unemancipated minor or on behalf of an incompetent individual who is eligible to receive a payment under this section.

(d) Notwithstanding the provisions of (a) — (c) of this section, an individual who has been convicted of a felony is not eligible for a permanent fund dividend for a year when, during all or part of the fiscal year ending June 30 of the current year, as a result of the conviction the individual is incarcerated. This subsection applies whether or not the individual has applied for the dividend.

(e) [Effective January 1, 1990] If a court finds the durational residency requirement under (a)(2) of this section is invalid and no appeal is pending, the residency requirement is one year. If a court finds the one year residency requirement is invalid and no appeal is pending, the residency requirement is the longest duration permitted by law. The department shall change the statement of eligibility under AS 43.23.015(b) as necessary to conform to this subsection. (§ 1 ch 102 SLA 1982; am § 1 ch 57 SLA 1987; am § 1 ch 54 SLA 1988; am § 1 ch 159 SLA 1988; am §§ 2, 3 ch 107 SLA 1989)

Revisor's notes. — Sections 2 and 3, ch. 99, SLA 1985, amend (c) and add a new subsection (d) of this section respectively. The amendments are effective if § 1, ch. 99, SLA 1985 is repealed (see § 25, ch. 99, SLA 1985). If the amendments become law, the subsections will read: "(c) A parent, guardian, or other authorized representative may claim a permanent fund dividend on behalf of an unemancipated minor or on behalf of an incompetent individual who is eligible to receive a dividend under this section.

"(d) A person who is eligible to receive a permanent fund dividend under this section, or who is authorized to claim a dividend on behalf of another under (c) of this section, may elect to receive the dividend either in cash or as an annuity credit. Alternatively, a person may elect to receive 25 percent, 50 percent, or 75 percent of the dividend in cash and the remainder as an annuity credit. A person who is 65 years of age on or before January 1, 1988 may only receive the permanent fund dividend in cash and may not elect to receive an annuity credit."

Cross references. — For legislative findings in connection with the 1989 amendment to (a) of this section, see § 1(a), ch. 107, SLA 1989 in the Temporary and Special Acts.

Effect of amendments. — The 1987 amendment in subsection (a) deleted "on

the date of application the individual" at the end of the introductory language, added "on the date of application the individual" at the beginning of paragraph (1), and in paragraph (2) substituted "the individual was" for "has been" and at the end of the paragraph substituted "April 1 of the current dividend year" for "the date of application."

The first 1988 amendment, effective May 26, 1988, added subsection (d).

The second 1988 amendment, effective January 1, 1989, in subsection (a), deleted "and" at the end of paragraph (1), added "and" at the end of paragraph (2), and added paragraph (3).

The 1989 amendment, effective January 1, 1990, substituted "24 consecutive months" for "six consecutive months" in paragraph (a)(2) and added subsection (e).

Editor's notes. — Section 4, ch. 54, SLA 1988 provides that the amendments made to this section by ch. 54, SLA 1988 apply "only to eligibility for permanent fund dividends for years after 1988."

Section 7, ch. 107, SLA 1989 provides that notwithstanding the amendments to AS 43.23 made by §§ 2-4 of ch. 107, "if an individual received a permanent fund dividend for 1989 the individual's eligibility to receive a dividend for 1990 shall be determined under the law as it existed before those amendments."

Until January 1, 1990, subsection (a)

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and a certification of residency in substan- tially the following form:

I certify that

() I am a state resident on the date of this application and I have been a state resident for at least six months immedi- ately preceding the date of this applica- tion; or

() (name), the individual on whose behalf I am applying, is a state resident and has been a state resident for at least six months immediately preceding the date of this application.

I understand that a false claim of resi- dency to obtain a permanent fund divi- dend for myself or for another is a crimi- nal offense and that if convicted I will for- feit future permanent fund dividends and that I will lose or must repay all perma- nent fund dividends that have been cred- ited or paid to me, and any accrued inter- est in my annuity account. I understand that this penalty is in addition to any criminal penalties imposed.

(signature of individual, parent, guardian, or other authorized repre- sentative)

(e) If a public agency claims a dividend on behalf of an individual under this section, the public agency shall elect 100 per cent cash under AS 43.23.005(d) and hold the dividend in trust for the individual. Money held in trust under this subsection shall be invested by the commissioner in accordance with AS 37.10.070.

"(f) A minor or an incompetent individ- ual may not maintain a claim against the state or an officer or employee of the state based either on the manner in which the parent, guardian, or authorized represen- tative other than a public agency of the state managed or disposed of permanent fund dividends received on behalf of the minor or incompetent, or an election made or not made on that individual's behalf under AS 43.23.005(d).

"(g) The permanent fund dividend appli- cation form shall be prepared to allow an applicant, other than a person who is ex- empt under AS 47.45.015(b), to elect to receive the dividend either in cash or as an annuity credit."

Cross references. — For voluntary contributions to Alaska Winter Olympics account, see AS 05.35.100.

Effect of amendments. — The 1988 amendment, effective January 1, 1989, re- wrote the statement of eligibility and cer- tification of residency in subsection (b) to the extent that a detailed comparison is impracticable.

The 1989 amendment, effective Janu- ary 1, 1990, substituted "24 months" for "six months" in the first two paragraphs of the form in subsection (b).

Editor's notes. — Until January 1, 1990, the first two paragraphs in the form in subsection (b) refer to a six-month rather than 24-month residency period.

Sec. 43.23.025. Amount of dividend. (a) By October 1 of each year the commissioner shall give public notice of the value of each permanent fund dividend for that year. The public notice shall contain a statement disclosing the amount by which each individual dividend has been reduced in order to pay the costs of administering the pro- gram and the hold harmless provisions of AS 43.23.075. The commis- sioner shall also include the statement on the stub attached to each individual dividend check. The commissioner shall determine the value of a permanent fund dividend by

(1) determining the total amount available for dividend payments, which equals

(A) the amount of income of the Alaska permanent fund transferred to the dividend fund under AS 43.23.045(b) during the current year;

(B) plus the unexpended and unobligated balances of prior fiscal year appropriations that lapse into the dividend fund under AS 43.23.045(d);

(C) less the amount necessary to pay dividends from the dividend fund in the current year under AS 43.23.055(3);

(D) less the amount necessary to pay dividends from the dividend fund due to eligible applicants who, as determined by the department, filed for a previous year's dividend by the filing deadline but who were not included in a previous year's dividend computation;

(2) determining the number of individuals eligible to receive a dividend payment for the current year; and

(3) dividing the amount determined under (1) of this section by the amount determined under (2) of this section.

(b) For the purpose of calculating the amount of a permanent fund dividend under (a) of this section, an individual who is ineligible to receive a dividend under AS 43.23.005(d) is counted as an eligible individual whether or not the individual has applied for the dividend. (§ 1 ch 102 SLA 1982; am § 1 ch 55 SLA 1983; am § 2 ch 43 SLA 1984; am § 2 ch 57 SLA 1987; am § 2 ch 54 SLA 1988)

Effect of amendments. — The 1984 amendment substituted "October" for "December" in the first sentence in the introductory paragraph.

The 1987 amendment added the second and third sentences in the introductory language, in paragraph (1) inserted "the total amount available for dividend payments, which equals" following "determining," designated some of the existing language as subparagraph (A), and added

subparagraphs (B)-(D), and in paragraph (3) substituted "under" for "in" in two places.

The 1988 amendment, effective May 26, 1988, added subsection (b).

Editor's notes. — Section 4, ch. 54, SLA 1988 provides that the amendments made to this section by ch. 54, SLA 1988 apply "only to eligibility for permanent fund dividends for years after 1988."

NOTES TO DECISIONS

Stated in *Alaska Oil Co. v. Alaska*, 45 Bankr. 358 (D. Alaska 1985).

Sec. 43.23.035. Penalties and enforcement. (a) In addition to any criminal penalties imposed by state law, if an individual is convicted of a crime in connection with a false statement made in a certification required under AS 43.23.015, and the conviction is not reversed, that individual forfeits all permanent fund dividends paid and is not eligible for a future permanent fund dividend.

(b) If the commissioner determines that a permanent fund dividend should not have been claimed by or paid to an individual, the commissioner may use all collection procedures or remedies available for collection of taxes under this title to recover the payment of a permanent fund dividend that was improperly made. A notice of an improperly paid dividend must be sent to the individual within 10 years after the improper payment. If notice is not sent within the 10-year period, proceedings may not be commenced in court for recovery of the improper payment.

(c) An individual who, in claiming a permanent fund dividend, or an individual who, in certifying another person's eligibility, wilfully misrepresents, exercises gross negligence, or recklessly disregards a

in AS 43.23.025(a)(1)(B). (§ 1 ch 102 SLA 1982; am § 24 ch 99 SLA 1985; am § 3 ch 57 SLA 1987; am § 1 ch 38 SLA 1989)

Effect of amendments. — The 1985 amendment repealed subsection (c).

The 1987 amendment, added subsection (d).

The 1989 amendment, effective May 13, 1989, added the second sentence in subsection (b).

Editor's notes. — An error in the in-

ternal reference in subsection (d) was corrected in 1989 by the revisor.

Legislative history reports. — For governor's transmittal letter related to the amendment to (b) of this section by ch. 38, SLA 1989 (CSHB 276(Fin) am), see 1989 House Journal 933-934.

NOTES TO DECISIONS

Stated in *Alaska Oil Co. v. Alaska*, 45 Bankr. 358 (D. Alaska 1985).

Sec. 43.23.055. Duties of the department. The department shall

(1) annually pay permanent fund dividends from the dividend fund;

(2) adopt regulations under the Administrative Procedure Act (AS 44.62) that establish procedures and time limits for claiming a permanent fund dividend; the department shall set the time limit for applications for permanent fund dividends so that the number of eligible applicants is determined by October 1 of the year for which the dividend is declared and permanent fund dividends for a year are paid before April 30 of the year following that year;

(3) adopt regulations under the Administrative Procedure Act (AS 44.62) that establish procedures and time limits for an individual upon emancipation or upon reaching majority to apply for permanent fund dividends not received during minority because the parent, guardian, or other authorized representative did not apply on behalf of the individual;

(4) assist residents of the state, particularly in rural areas, who because of language, disability, or inaccessibility to public transportation need assistance to establish eligibility and to apply for permanent fund dividends;

(5) annually determine, in cooperation with the Department of Corrections, the number and identity of individuals ineligible for a permanent fund dividend under AS 43.23.005(d); and

(6) adopt regulations that are necessary to implement AS 43.23.005(d). (§ 1 ch 102 SLA 1982; am § 2 ch 55 SLA 1983; am § 3 ch 43 SLA 1984; am § 3 ch 54 SLA 1988)

Revisor's notes. — Section 11, ch. 99, SLA 1985, amends this section. The amendment is effective if § 1, ch. 99, SLA 1985 is repealed (see § 25, ch. 99, SLA 1985). If the amendment becomes law, the section will read "The department shall

(1) annually make payments to indi-

viduals who elect to receive cash under AS 43.23.005(d).

(2) adopt regulations under the Administrative Procedure Act (AS 44.62) that establish procedures and time limits for claiming a permanent fund dividend or for electing an annuity credit, the depart-

AN ACT

Relating to permanent fund dividends for individuals incarcerated after conviction for a felony; and providing for an effective date.

• Section 1. AS 43.23.005 is amended by adding a new subsection to

read:

(d) Notwithstanding the provisions of (a) - (c) of this section, an individual who has been convicted of a felony is not eligible for a permanent fund dividend for a year when, during all or part of the fiscal year ending June 30 of the current year, as a result of the conviction the individual is incarcerated. This subsection applies whether or not the individual has applied for the dividend.

• Sec. 2. AS 43.23.025 is amended by adding a new subsection to read:

(b) For the purpose of calculating the amount of a permanent fund dividend under (a) of this section, an individual who is ineligible to receive a dividend under AS 43.23.005(d) is counted as an eligible individual whether or not the individual has applied for the dividend.

• Sec. 3. AS 43.23.035 is amended to read:

Sec. 43.23.035. (NOTICES OF THE DEPARTMENT. The department shall
(1) annually pay permanent fund dividends from the dividend fund;

(2) adopt regulations under the Administrative Procedure Act (AS 44.07) that establish procedures and time limits for claiming

Chapter 54

1 a permanent fund dividend; the department shall set the time limit for
2 application for permanent fund dividends so that the number of eli-
3 gible applicants is determined by October 1 of the year for which the
4 dividend is declared and permanent fund dividends for a year are paid
5 before April 30 of the year following that year;

6 (3) adopt regulations under the Administrative Procedure
7 Act (AS 44.62) that establish procedures and time limits for an indi-
8 vidual upon emancipation or upon reaching majority to apply for perma-
9 nent fund dividends not received during minority because the parent,
10 guardian, or other authorized representative did not apply on behalf
11 of the individual; [AND]

12 (4) assist residents of the state, particularly in rural
13 areas, who because of language, disability, or inaccessibility to
14 public transportation need assistance to establish eligibility and to
15 apply for permanent fund dividends;

16 (5) annually determine, in cooperation with the Department
17 of Corrections, the number and identity of individuals ineligible for
18 a permanent fund dividend under AS 43.23.005(d); and

19 (6) adopt regulations that are necessary to implement
20 AS 43.23.005(d).

21 * Sec. 4. This Act applies only to eligibility for permanent fund
22 dividends for years after 1988.

23 * Sec. 5. It is the intent of the legislature that an amount approxi-
24 mately equal to the money that would otherwise be paid as permanent fund
25 dividends to individuals determined to be ineligible under AS 43.23.005(d),
26 as enacted by sec. 1 of this Act, be appropriated annually from the divi-
27 dend fund to the crime victim compensation fund (AS 18.67.162) to carry out
28 the purposes of AS 18.67.

29 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF REVENUE

PERMANENT FUND DIVIDEND DIVISION

STATE OFFICE BUILDING
P.O. BOX S-0463
JUNEAU, ALASKA 99811-0400

October 10, 1989

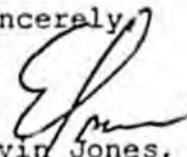
The Honorable Max Gruenberg
Alaska State House
3111 C Street, Ste. 440
Anchorage, AK 99503

Dear Representative Gruenberg:

Enclosed, as requested by Mr. Andrew Hemenway of your office, is the copy of the Order granting Judgment in favor the Plaintiffs in Case No. 3PA-88-1009 CI (PFD-Felons) and a copy of the Order Granting Stay of Judgment (Case No. 3KN-88-966 Civil and No. 3KN-88-970 Civil) in regards to the former.

If you need any additional information or assistance concerning the above, or any other PFD related issue, please contact me.

Sincerely,



Ervin Jones, Director
Permanent Fund Dividend Division
(907) 465-2323

EJ:bro
89-217

7095G

Anthony J. Smith

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT PALMER

RECEIVED

JUL 26 1989

STATE OF ALASKA
DEPT OF REVENUE
FED DIVISION

1
2
3
4 ANTHONY, et al.,)
5 Plaintiffs,)
6 vs.)
7 STATE OF ALASKA,)
8 Defendant,)
9 SMITH, et al.,)
10 Plaintiffs,)
11 vs.)
12 STATE OF ALASKA,)
13 Defendant.)

FILED IN THE TRIAL COURTS
STATE OF ALASKA THIRD DISTRICT

JUL 26 1989

Clerk of the Trial Courts
By [Signature] Deputy

Case No. 3PA-88-1009 CI

JUDGMENT

15 Based upon the summary judgment motion of Plaintiffs, the oral
16 ruling of this court on June 9, 1989, and a finding that there is no just
17 reason for delay, now, therefore,

18 IT IS HEREBY ORDERED, ADJUDGED, DECREED AND DIRECTED that
19 final judgment is entered in favor of all Plaintiffs in this case. AS
20 43.23.005(d) is hereby adjudged and decreed void and unconstitutional.

21 IT IS FURTHER ORDERED that judgment is hereby rendered in favor
22 of the Plaintiffs in the amount of \$_____ for costs incurred and
23 \$_____ for attorney's fees.

24 DATED this 26 day of July, 1989.

26 I certify that on 8-1-89
27 a copy of this document was sent to:
 COED
 Plaintiff Attorney(s) of Record
 Defendant
28 Smith
at the address(es) of record
Rec'd Jrd _____
Deputy Clerk

[Signature]
BEVERLY W. CUTLER
SUPERIOR COURT JUDGE

*Robinson, Brucenyer & Christard
Suzanne
35401 Menai Spar Hwy.
Soldotna, Alaska 99669
(907) 262-2767*

*John J. Robinson
John Brucenyer
Suzanne Christard*

TERRY F. NEWELL,)	
)	
Plaintiff.)	
)	
vs.)	Case No. 3KN-88-966 Civil
)	
STATE OF ALASKA,)	
)	
Defendant.)	
_____)	
ROBERT G. KLINK,)	
)	
Plaintiff.)	
)	
vs.)	Case No. 3KN-88-970 Civil
)	
STATE OF ALASKA,)	
)	
Defendant.)	
_____)	

ORDER GRANTING STAY OF JUDGMENT

Defendant, State of Alaska, requested a stay of the effect of the judgment dated July 26, 1989, in order to delay disbursement of the 1989 permanent fund dividend checks to persons falling within the terms of A.S. 43.23.005(d), until after a ruling on the constitutionality of that statute by the Alaska Supreme Court. This Court having found a Stay of Judgment should be granted has also determined that provisions should be included in that Stay. Accordingly;

No reply to plaintiff's opposition or this proposed order has been filed by the state.

IT IS HEREBY ORDERED, Defendant's request for a Stay of Judgment is hereby GRANTED.

IT IS FURTHER ORDERED, Defendant will place the funds which would normally be distributed to persons falling with

EDWARD P. LOWRY
Plaintiff

vs.

STATE OF ALASKA
Defendant

Case No. 3AN-88-9165CI

JOHN ASPELL
Plaintiff

vs.

STATE OF ALASKA
Defendant

Case No. 3AN-88-8987CI

RICHARD KRANTZ
Plaintiff

vs.

STATE OF ALASKA
Defendant

Case No. 3AN-88-8986CI

ORDER GRANTING ATTORNEY FEES

The court hereby grants plaintiffs Anthony, Silvernail, Newell and Klink attorney fees in the amount of \$5,000.

The court disagrees that the award of attorney fees should be based on a money judgment. No money judgment issued in the case. Plaintiffs sought and received declaratory relief.

The court rejects plaintiffs' claim that they are public interest litigants. The court also rejects plaintiffs' claims that they should recover greater than their actual fees either

because of the conduct of the state or because the court ought to encourage attorneys to represent "unpopular" persons or causes.

Plaintiffs are entitled to attorney fees under the last sentence of Civil Rule 82(a)(1). The court awards less than half of the actual fees requested by plaintiff, however. The court reaches this decision because the state prevailed on most of the claims briefed and because the actual fees alleged appear unreasonably high. There was not a large number of motions filed or briefed by counsel. The court finds \$5,000 to be a reasonable partial recovery. The court rejects Anthony's claim that he is entitled to reimbursement for his own labor.

From the filings, it does not appear that the state is appealing the Taxation of Costs done by the Clerk of Court on August 17, 1989. The state's cost arguments were filed earlier. Because the state has not proceeded under Civil Rule 79(d), the court assumes any appeal to the court is waived.

Dated at Palmer, Alaska this 26 day of September, 1989.

Everly W. Cutler
 EVERLY W. CUTLER
 SUPERIOR COURT JUDGE

Verify that on 9-29-89
 a copy of this document was sent to
 CSED
 Plaintiff *from Attorney(s) of Recd. The*
 Other *Smith* Defendant *Richard*
 at the address(es) of record
 Date

RECEIVED

1 entering into a whole another due process problem; and two,
2 usurping a legislative function in rewriting the statute. The
3 typical kind of excision that the Court would perform would be
4 simply to stike a section of the statute. But there really are
5 more problems then simply that; that one problem I think, that
6 43.23.025 has some problems of its own in that its declare each
7 person -- it discusses this problem of ineligible -- how to deal
8 with ineligible person that don't apply at all and what the
9 Corrections and the State will do. It's -- fundementally it's an
10 intellectual problem, there isn't much help out there for the Court
11 and -- but I do think that contrary to the State's position, these
12 problems are not unlikely. I've been practicing criminal law for
13 ten years in this state and all kinds of situations arise. I'm
14 certain that I could dig up a client who is serving a ten day
15 sentence lapse -- lapping over June 30th, July 1. I have a client
16 allready how I represent in this case who's doing -- who's going to
17 do one day in jail this year and lose his Permanent Fund. Those
18 situations are not unlikely; they will occur, they are occuring.
19 The statute is flawed and the Court should strike it. That's all I
20 have.

RULING:

21 THE COURT: I have read all your pleadings a number of times.
22 I just have only read this defense supplemental brief two times
23 now, but, I don't -- I guess I don't think anything's going to be
24 gained by taking the case under advisement other then the delay in
25 issuing a scholarly written decision. I do think the State's

1 briefing is very good. I think really that the State's done an
2 excellent job in defeating the large part of the arguments raised
3 by the plaintiffs'. I think the plaintiffs' did a good job. I
4 agree that the reply brief is certainly not as well written as it
5 might be but I appreciate your personal comments about that. I
6 don't find that your going to prejudice the Court in resolving the
7 case. I guess, in a sense, it's tempting to be a judicial chicken.
8 By that I mean we do the bare minimum the Trial Court needs to do
9 to make a decision in the case and leave the great philosophical
10 statements for the Appellate Court as well as many of the issues
11 that the Court might not need to reach, particularly, whether, you
12 know, the nature of this Permanent Fund Dividend, whether it is of
13 the class of property rights or grants, whatever you want to
14 characterize it at, that should have strict scrutiny when we're
15 limiting its availability is something I really feel is ultimately
16 a political question that only the Supreme Court is going to be
17 able to tell us the answer to. The most analogous situation I can
18 think of is -- not analogous really, because as the counsel for the
19 plaintiffs have pointed out there's really nothing like the
20 Permanent Fund Dividend anywhere in our legal system and any other
21 states that we're going to find to look at. When, for example, the
22 state here repealed state income taxes along the same time as the
23 Permanent Fund Dividends were brought up, if the state had repealed
24 state income taxes and given refunds for those years, say only to
25 persons who would not been convicted of felonies and not sentenced

1 -- not served any time in jail during those years on felonies, I
2 think the Supreme Court would have had to reach some of these same
3 questions. They didn't do a selective tax refund. I don't know if
4 anyone in the courtroom other than myself remembers even the tax
5 refund that we got in, I think it was '78 and '79 or '79 and '80 or
6 something a long those lines, but I think we'd have a -- I
7 can't imagine that the court, the Supreme Court would have said
8 anything other than that strict scrutiny had to be applied and a
9 compelling state interest shown to have discriminated in the repeal
10 of those or the across the board repeals. But, I don't think this
11 Court actually has to get at that because for reasons pointed out
12 by the plaintiff. For some of the reasons I think there is some
13 fundamental due process violations in AS 43.23.005(D). As it
14 reads, it can't be fixed by either interpreting it in a manner in
15 which the legislature might have intended us to do or by severing a
16 portion of the statute from the rest of the statute and, you know,
17 returning to just briefly the Zobel case, that was really a pretty
18 simply issue. Now residence requirements and how and if they would
19 be permitted to affect a dividend, the courts wrestled with that;
20 with various other give-a-way programs that we have in this state,
21 the Permanent Fund Dividends was basically a give-a-way. The due
22 process violation here, I think there are a couple of very obvious
23 due process violations that just can't be stomached by the Court.
24 Not because they result in any kind of evidentiary (ph) gross
25 discrimination that makes the government seem repulsive to the --

1 a large group of society, but because the individual rights we have
2 are those two, due process and equal protection, and an equal
3 protection is really a pretty simple concept. There are certainly
4 are times when it is not easy to figure out if something is an
5 equal protection violation or not. But, I don't think it's very
6 difficult to figure out, for example, that the example I gave with
7 a typical low level felon, the one, you know, we have felon A and
8 felon B. Felon A is arrested in February or January, I mean he can
9 be arrested in any month, we'll make him arrested in January for
10 ease, I guess. Bail is set at \$5,000, he doesn't make bail. Ten
11 days later the State still hasn't gone to Grand Jury. The State
12 agrees to release him on his own recognizance on the condition that
13 he do dah-da-dah-da-dah..... Ultimately the State indicates and he
14 gets a couple of continuances of his trial to investigate the under
15 coverage and to everything else and he ultimately pleads to his
16 offense in November and the following January, a year later, he's
17 sentenced, and, let us just say for simplicity, that he gets one
18 year with all but the ten days he already served suspended on the
19 condition that he do da-dah-da-dah-da-dah -- or maybe even give him
20 an SIS on the condition that he serve the ten days he's already
21 served and he does -- whatever he does, for conditions of
22 probation. That person, under AS 43.23.005(D) is clearly as it's
23 written, clearly on the June 30th that's between those two January
24 dates he can lawfully apply for a dividend, he can lawfully receive
25 a dividend in November and I don't think the State can take it away

1 from him. I mean I disagree with Ms. May's response that well
2 maybe it's illegal at the time he gets it. I think it's perfectly
3 legal under the statute. The individual who is arrested in the
4 same drug bust as he's arrested -- I'm sorry, I actually -- if I
5 have obviously confused my facts, please correct me when I'm
6 finished. The individual B arrested out of the same drug bust who
7 is not arrested but rather summons, because that often is the case.
8 Several people are involved in a drug bust but one of them aren't
9 arrested and when the Grand Jury meets a lot of them are summons if
10 they're local and there's no reason to think they're a danger to
11 the public other than the plea. He's indicted, maybe even in the
12 same indictment as this fellow. But he's summons into court; he
13 comes in, he's never done a days stay in a jail, he's released on
14 his own recognizance. He pleads out to the offense. Whether he
15 pleads before June 30th or after isn't important because what's
16 important is gonna be when he serves his time (indiscernible). He
17 goes to jail. Let's just say he pleads at arraignment because he
18 doesn't want to fight his case and the judge sentences him and the
19 judge orders him to do ten days in jail, one year with all but ten
20 days suspended. Admittedly it might be more likely to be one year
21 with all but 30 days suspended. I'm just using ten days for
22 simplicity. He clearly, if he had served his ten days before June
23 30th, would not be eligible for the dividend. As Mr. Ehrhardt
24 points out, if he had the misfortune to go to jail June 25th and
25 not get out until July 5th, he's going to be ineligible for two

1 years worth of dividends. Two individuals clearly both done ten
2 days in jail, they both committed the same crime, they both
3 burdened the state to the same extent. For simplicity, they both
4 could have gotten the same restitution order to pay back the Alaska
5 State Troopers Narcotic Drug Enforcement Unit the same amount of
6 money, maybe, was the same \$400 sale. Maybe it wasn't. Those two
7 individuals, clearly, as to the one who's deprived of the Permanent
8 Fund Dividend, even if he's only deprived of one dividend because
9 he does all his time either before June 30th or after June 30th, so
10 he's deprived for the next year, that individual, clearly, is
11 denied equal protection of the law. I just don't think there's
12 anyway around that conclusion. If the Court were to strike the
13 portion of the statute that reads as a result of the conviction and
14 simply have the statute, as the State suggests in its supplemental
15 brief, give Permanent Fund Dividends unless a person who has been
16 convicted of a felony during any portion of the year is
17 incarcerated, then we have the equal protection problem of the
18 felon from 1962 being popped for DWI doing his 72 hours and the
19 misdemeanor popped for DWI doing his 73 hours, and one of them
20 loses the dividend, one of them doesn't, and again I would say there's
21 clearly a equal protection violation because there's no rational
22 basis at all; no legitimate basis to deprive the other 1962 felon
23 of his dividend as distinguished from the misdemeanor. In light
24 of the purposes of the statute being to not give money to people
25 who are costing the state a bunch of money because they're

1 incarcerated on a felony, which appears to be a shorthand version
2 of one of the major purposes of the statute. and by that same token
3 if we're saving that bunch of money that we morally shouldn't have
4 to give to that persons we're providing for them any ways, we can
5 rationalize that we're saving, squeezing up some funds we can use
6 for restitution, because we all know that convicted felons as a
7 group never pay their restitution and that's sort of the second
8 purpose of the statute.

9 Without even getting to the legitimacy of those goals and
10 whether if the statute didn't have this constitutional infirmity,
11 the courts are pointing out that they would otherwise be sufficient
12 and amount to either a legitimate -- clearly not to a legitimate
13 basis. But whether there should be strict scrutiny and they -- the
14 State satisfied the compelling state interest test, the Court just
15 doesn't have to reach that with the analysis the Court is making.
16 The Court doesn't have to reach the issue of possible inequities
17 between a person receiving an SIS and one not receiving an SIS. I
18 think it is actually my view that an individual who receives an SIS
19 is still convicted. If not he wouldn't have to come back to court
20 to get the conviction set aside. So he's convicted, clearly, at
21 the moment he receives the SIS order. At least for my belief for
22 purposes of this statute he would be. But there hasn't been
23 extensive reading about that, that the Court has to reach that.

24 It appears to me that the reason the Court can't say as one of the
25 reasons, maybe not the only reason that the Court can't save the

1 statute by an interpretation that obviously reflects the
2 legislature's intent is I don't think the legislature really
3 told us what they intended. I don't think it's really all that
4 clear what they intended. They intended to, we think, as I stated,
5 deprive felons of dividends because they're costing the state a
6 bunch of money and there's no reason to give them money, and
7 because everybody knows there's a lot of unpaid restitution and
8 most it's from convicted felons who don't have the money to pay it
9 or won't pay it or won't even apply for the Permanent Fund Dividend
10 because they think it's a useless gesture because it's just gonna
11 go get attached for child support or restitution anyway, and
12 therefore they won't bother to help out the victim by applying for
13 the dividend. As to the second goal, and there are clearly some
14 very direct ways the legislature could accomplish that goal, and
15 that doesn't mean they can't do it with another legitimate method,
16 but if that's what they wanted to do they clearly could do some
17 things like -- they could pass a statute compelling. Courts as
18 part of sentencing, convicted felons who are going to serve time in
19 jail or has served any appreciable time in jail or any time in
20 jail, however they want to write it. They want to make it 30 days
21 or more or any time at all or whatever, they could compel the
22 courts to sentence defendants to apply for Permanent Fund Dividends
23 and use them for a certain purpose. I certainly think they could
24 compel courts or as part of the restitution statute make it clear
25 that a person under a court order to pay restitution is obliged by

1 statute, if eligible for the Permanent Fund Dividend to apply for
2 it and to apply it to restitution. I mean whether they order
3 judges to do it or they simply said a person who's under a court
4 order for restitution has to do it. There would obviously have to
5 be some teeth in that statute. Clearly if judges were ordered to
6 do it the teeth could be suspended time if there was or if it's
7 just a straight forward sentence with no suspended time then.
8 Clearly there would still be some inherent contempt authority on
9 the part of the judge. There are other consequences of felons not
10 doing things they're suppose to do that would obviously help to
11 enforce the statute. We deal with that in presumptive sentencings
12 all the time. People won't go to their programs, well maybe they
13 won't go to their programs but they're not likely to get classified
14 then to where they want to be here. They're not likely to get out
15 of jail on parole even if they have the straight five year sentence
16 and no suspended time over their head. If they don't do what
17 they're ordered to do they're not likely to be paroled and so
18 forth. There are clearly though some direct ways the legislature
19 could fix the law to make it a lot more likely that convicted
20 felons are going to apply for dividends and use them for either of
21 the two purposes the legislature seems to want to use them for.
22 I'm ^{not} saying it's easy, but, clearly if they'd written a specific law
23 we would know that was their specific intent. It appears to me
24 that the statute is written, and I don't have any idea who wrote
25 it. I doubt that Ms. May wrote it because it appears that she

1 recently has started representing the State in these types of
2 lawsuits. But it appears to me that the reason the statute fails
3 is it simply wasn't drafted by people who saw its meaning in the
4 real world of criminal justice. In other words, people who
5 understand how the sentencing system works and how it's not
6 arraignment trial, plea and sentencing and then from the date of
7 sentencing the sentence begins to be served. Maybe it was just not
8 thought of that the way the statute is worded it clearly is going
9 to result in equal protection violations. But, it appears to me
10 that one of the things that happens in the legislature all the
11 time, of course, is there's compromise and negotiation and things
12 get done at the last moment and..... You know, people are often
13 asked to draft pieces of legislation that they really don't know
14 very much about. I have no idea who drafted this, as I stated,
15 but, it appears to me that if the legislature wanted to use the
16 criminal and civil expertise in the Department of Law and draft a
17 statute that would prohibit convicted felons under various and
18 specific circumstances but didn't have an equal protection
19 violation getting their Permanent Fund Dividends, that depending on
20 the purposes of the statute, that statute might be able to survive
21 constitutional scrutiny. Of course depending on the purposes of
22 the statute and how it was written and what class of felons or what
23 class of convicted criminals, if deprived of the dividends, the
24 court and ultimately the Supreme Court would have to reach the
25 issue of what level of scrutiny are we going to apply to this, and

1 are we gonna let them do it period. I do not feel that this Court
2 sitting as an individual, the Superior Court, is able to give the
3 legislature the kind of guidance that the Supreme Court might be
4 able to give in a sense of stating. Even if you rewrite the
5 statute in a certain way, it's not gonna be upheld anyway, so don't
6 bother or is gonna be upheld if you do it in such and such and such
7 a fashion, and I realize there are judges who would go that far. I
8 don't feel that it's the trial courts role to do that. As I stated
9 it is in part, of course, ultimately a political decision as to the
10 degree of scrutiny that the courts are going to give any attempt to
11 discriminate on who gets a Permanent Fund Dividend and who doesn't;
12 and it has to do with a whole lot of facts. It's a legal decision,
13 yes, on a piece of paper, but what makes the legal body, the Court,
14 see it in the way the plaintiffs' are arguing it should be seen or
15 the way the defendants are arguing it should be seen. Ultimately,
16 I think we all recognize has to do with, in a sense, the politics
17 of the -- I won't say the derivation and distribution of the
18 Permanent Fund --

19 7212

20 (Tape change - Side two)

21 3PA-6243

22 0001

23 really has to do with the -- for lack of a better word, I guess I'd
24 say the judgment of the Supreme Court with regard to the quality of
25 the right that the citizens of this state have to their Permanent

1 Fund Dividend, and as we've all stated, there really is nothing
2 like it to compare it to and I don't even think it's directly
3 comparable to -- it's not even directly comparable to the right to
4 a tax refund and then an across the board tax refund is declared.
5 Otherwise, certainly it gets close to it. With regards to the
6 other arguments, very briefly, I do not find -- I might say, it
7 might be a shorter way of saying this. I pretty clearly agree with
8 the State's reply brief and its summary of the (indiscernible case
9 name) argument, the ^{bill of attainder} ~~ex~~ ^{ex post facto} ~~pose~~ factor argument, the cruel and unusual
10 punishment argument. There were a couple of points in the State's
11 reply brief, this is the brief file stamped June 6th, that I feel
12 the Court might just touch on briefly so that there's no
13 misunderstanding either at the appellate level or otherwise about
14 what the State was saying. On page 14, 15 and 16 of the reply
15 brief, and this is not the supplemental oppositions we have today
16 but the reply brief. The State repeatedly states things that just
17 appear not to be true with regard to the -- what I'm talking about,
18 the equal protection problem. The State argues for example on page
19 15 that no judge determines in an individual case that a convicted
20 felon should be denied the right to vote because it fits the crime.
21 It is simply a statutory consequence in committing and being
22 convicted of a felony. So it is a denial of eligibility for a
23 Permanent Fund Dividend. The court's equal protection decision
24 today shows that that is simply not the case. If what we were
25 dealing with was every person convicted of a felony, whether they

1 served time in jail or not or whether they served it pretrial or
2 not loses their Permanent Fund Dividend, we'd have an entirely
3 different decision. The Court would have to reach some of these
4 other difficult issues you raised. But state statute clearly is
5 not like the statute that deprives people of their right to vote
6 because they've been convicted of a felony. You're not deprived of
7 a Permanent Fund Dividend because you've been convicted of a
8 felony. You're deprived a Permanent Fund Dividend because you've
9 been convicted of a felony and because you've served some time in
10 jail as a result of the conviction, which means it doesn't affect
11 people that served their time in jail before being convicted and it
12 doesn't affect people who never served any time in jail at all, and
13 it doesn't affect, the way it's written, people who eventually
14 serve time in jail but manage not to do it -- excuse me --
15 eventually are sentenced to time to serve in jail but don't get
16 sentenced until after they've already lawfully gotten a dividend
17 for the year when they actually were in jail but it was pretrial
18 and therefore it didn't count towards service of the sentence. By
19 the time it counted towards the service of the sentence we were
20 into the next Permanent Fund Dividend year and therefore they don't
21 lose their dividend for either the first year or the second year
22 because neither of those years were they actually serving time as a
23 result of the conviction of the felony. I think the State on page
24 14 and on page 16 really kind of repeats that same argument. On
25 page 16, the State says it is an appropriate disability upon every

1 felon regardless of the precise nature of the crime imposed, and of
2 course the courts found that that's just not the case. It's a
3 disability only upon a limited and a ^{illogical} logical class of felons.

4 The Court is going to be granting, therefore, the plaintiff's
5 motion for summary judgment on the equal protection grounds but not
6 specifically for the equal protection (^{reasons,} ^{or} indiscernible) for all of
7 them, cited in the State's memorandum. I don't think any written
8 order is necessary. I would think today's transcript is clear. If
9 either of you wishes to take a review and because I feel that time
10 is of the essence given the programs deadlines, particularly for
11 this year, and given that it took maybe six months to get all this
12 briefing done, not the legal systems fault, not really the parties'
13 fault, but it took a long time to get to today. I think that
14 that's a socially responsible decision for the Court is simply this
15 verbal decision and you each can get a transcript or take as you
16 wish. You can do whatever you want as a result thereof, but I
17 don't intend to make any 20 or 30 page written order setting out
18 what the Court set out on the record. Does the defendant request
19 clarification of any aspects of the Court's ruling?

20 MS. MAY: Yes, Your Honor. Could you just briefly clarify
21 your due process rule?

22 THE COURT: I think I said due process when I meant equal
23 protection and I think I paused there saying to myself what am I
24 saying. It is an equal protection rule and not a due process rule.

25 MS. MAY: Have you made a ruling at all on the due process

1 issues?

2 THE COURT: Well, when I went through your reply memorandum
3 just now, I kind of glossed over that. I guess I don't see that
4 it's necessary to get to that point. I don't think the Court needs
5 to made a specific rule. I think I know how I would rule but I
6 would prefer to go back and study your briefs before reaching that
7 and I think it's really moot at this point based on the Court's
8 other ruling.

9 Any other requests for clarification?

10 MS. MAY: No, Your Honor.

11 MR. EHRHARDT: No, with regards to clarification, Your Honor,
12 but there are two other pending motions before the Court; the
13 consolidation motion and the class action motion.

14 THE COURT: As I stated at this pre - oral argument hearing we
15 had, I felt that in reality those are moot. To do procedural due
16 process in both of those motions is so time consuming. The State
17 clearly indicated that it would not -- it would treat all prisoners
18 with regard to allowing them an opportunity to benefit from the
19 position if it were favorable to prisoners. It would treat them
20 the same whether they were joined or not and with regard to the
21 motions to consolidate, if any of the other plaintiffs trying to
22 get consolidation had attorneys and were worried about
23 consolidation only so they could claim to be prevailing parties and
24 get attorneys' fees, I suppose it might be important. But, it
25 appears to me that in a sense it's moot because as I understood

1 what the State was saying -- well it couldn't -- the State couldn't
2 tie the hands of the plaintiffs and say if you don't win in the
3 Superior Court we're going to make sure you don't shop around for
4 another superior court judge to see if you get a different result.
5 The State, if I understood it, pretty clearly was saying whatever
6 is ruled here we won't shop around for another Superior Court
7 opinion. We'll either appeal it and we'll get a resolution from
8 the Supreme Court or not, but they would follow whatever was done
9 in a single case so that all plaintiffs' and potential plaintiffs'
10 will benefit whether they're consolidated or whether they're judged
11 to be a class. Am I wrong?

12 MS. MAY: That's correct, Your Honor.

13 THE COURT: I'm going to state they're moot simply because
14 procedurally, just checking the service on everybody for half of
15 these papers, takes a lot of time not to mention the distribution
16 of orders to all the parties affected and so forth. The motion by
17 Brown to amend his complaint I do think is going to have to have a
18 ruling and I don't even remember what the issue is now, but I
19 remember that as being something that the State opposed for some
20 specific reason but you are not -- are you Brown's attorney?

21 MR. EHRHARDT: No I'm not, Your Honor.

22 THE COURT: You're not Browns attorney then.

23 MS. MAY: I believe he's pro se.

24 THE COURT: Therefore I will review that motion and if it
25 needs a ruling get a ruling on it but I'm not sure that that needs

1 to be done at this moment. Any other requests before we recess?

2 MR. EHRHARDT: I guess the only other request I have is that
3 the Court -- well, I guess it would be answered by the civil rules,
4 I assume we'll be applying for attorneys' fees and costs prior to
5 the assert of appeal (indiscernible). I've got to sit down and
6 review the civil rules.

7 THE COURT: When the Court issues -- makes a summary judgment
8 order, there still is no judgment signed until the party brings in
9 a judgment. At the time you bring in the judgment then there's a
10 final order. Rule 54(B) sometimes prevents the entry of the
11 judgment if there are other outstanding claims that haven't been
12 resolved and that's part of the problem with the consolidation of
13 all of these issues. All these cases particularly were people like
14 Brown. I don't remember what he was moving to add in his amended
15 complaint, but I believe that it might be something that would
16 prevent under Rule 54(B) a judgment. I think that can be taken
17 care of. The parties can be excused. On the trial matter we'll
18 reconvene in a couple of minutes if you want to go ahead and bring
19 Mr. Trolen (ph) in and take Mr. Smith back.

20 (Off record)

21 1410

22 *****

23 END OF REQUESTED PORTION

24 *****

25

- C/M/W
H-16255

Anchorage Daily News

Gerald E. Grilly
Publisher



Howard Weaver
Managing Editor

Michael Carey, Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983
Lawrence Fanning, Editor and Publisher 1987 to 1971

Founded in 1946 by Norman C. Brown

Book 'em

Criminals' dividends should pay for child support, restitution, imprisonment costs

An Alaskan who is convicted of a serious crime costs the public tens of thousands of dollars. We pay for the police officer who catches him. We pay for the prosecutor and judge who try him — and we often pay for the lawyer who defends him. We pay for the prison cell where he does his time.



So it seems odd that we would send these convicted criminals hundreds of dollars a year in handouts from the state treasury. That's why legislators voted in 1988 to strip imprisoned felons of future permanent fund dividends.

Lawmakers had a good idea — but they fouled up the implementation. A Superior Court judge has ruled that technical problems with the 1988 law render it unconstitutional.

That ruling has lawmakers reconsidering the issue. They should stick with the idea of denying dividend money to convicted felons — including those who get probation instead of prison time. Ironically, the best and fairest way of doing that may be to let the convicts remain in the dividend program.

Lawmakers discovered their 1988 law had damaging side effects. Many prisoners fail to pay court-ordered child support or victim restitution. The dividend was the one place criminals' families or victims could turn to get money they were owed. No dividend meant no child support and no restitution.

Lawmakers should look for a way to stop subsidizing criminals without harming their families or victims. Here's a way that's worth trying:

Let felony convicts remain eligible for dividends. Let their families have first crack at the payment for unpaid child support. Let victims go next, to collect unpaid restitution. Then let the state claim the balance to cover any unpaid criminal fines and offset costs of imprisonment, probation, and victims' compensation. Once felons have completed their sentence, they could once again keep their dividends.

Of course, convicts may not bother to apply for dividends if they won't actually see any of the money. But that shouldn't deter lawmakers. They should see if they can deal with that possibility by changing dividend application rules. Perhaps the state should be directed to apply on behalf of criminals who are in prison or on probation.

Garnishing permanent fund dividends is one way to make sure criminals help repay the debt they owe society. If the state can deny felons the right to vote, it should be able to deny them the fruits of their permanent fund dividends

PASS HB 255 -- BOOK 'EM

1. MAKE CRIMINALS PAY THEIR DEBTS

MAKE THEM PAY THEIR KIDS

--More than 1700 children are due unpaid child support from jailed fathers and mothers, and grabbing the parents' PFDs is often the only way to get any money from the parents to the kids

--More than 80 percent of all incarcerated felons who owe child support file for PFDs

MAKE THEM PAY THEIR VICTIMS -- ALL THEIR VICTIMS

--HB 255 goes farther than current law, which does not help the victims of burglars and thieves -- HB 255 will help them as well as victims of violent crimes

--HB 255 will also cover serious drunk drivers and misdemeanor assaulters -- the current law on criminals PFDs does not cover violent misdemeanor criminals

MAKE THEM PAY THE COURTS

--The Court System has estimated that criminals owe more than \$6 million in unpaid court fines, court-appointed attorneys' fees, and court-ordered restitution to victims

2. DON'T USE PERMANENT FUND MONEY IN THE BUDGET THROUGH THE BACK DOOR

--Current law resulted in \$1.5 million of Permanent Fund Dividends going into the budget -- HB 255 would avoid this problem

--Rep. Mark Boyer
February 14, 1990

STRUCTURE OF HB 255



HB

261

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 31, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4/11/89

The JUDICIARY Committee considered:

HB 261

HOUSE BILL NO. 261 [SOVIET-AMERICAN ICE CLASSIC]

"An Act authorizing an Alaska-Soviet Ice Classic."

RECOMMENDATIONS:

- be replaced with _____ the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Date/Dept)

- fiscal impact _____ fiscal note(s) _____
- zero fiscal note Dept of Revenue zero fiscal note(s) _____
- zero with analysis _____ zero fn/analysis _____

SIGNING DO PASS:

SIGNING: (Check approp. column)

	Do Not Pass	No Rec	Amend
<u>Peter Jones</u>		<input checked="" type="checkbox"/>	
<u>Will a...</u>		<input checked="" type="checkbox"/>	
<u>Tom Martin</u>		<input checked="" type="checkbox"/>	

Peter Jones / V. Chumby
 Chairman's Signature

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 261
PUBLISH DATE: 3/31/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Soviet - American Ice Classic
Sponsor: Hudson, et al.
Requestor: Judiciary & Finance

Agency Affected: Revenue
BRU: Income & Excise Audit
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel
Division: Income and Excise Audit

Phone: (907) 465-2320
Date: April 11, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: April 11, 1989

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

HB 261
April 11, 1989

Analysis

The Soviet - American Ice Classic will have no effect on the Games of Chance and Skill program currently in place. Camaj, Inc. would operate this ice classic, and the department would not be involved other than receiving and processing an annual application and annual report. This ice classic is not predicted to have any impact on the enforcement and audit function carried out by the department under the Games of Chance and Skill program.

Representative Hudson
April 10, 1989
Page 2

Legislative History of Ice Classics

Prior to 1960, ice classics and other forms of charitable gaming were unregulated. Charitable gaming legislation adopted in 1960 was intended "to permit what has been taking place for approximately 60 years and nothing more but under the most strict controls; no activity can be licensed unless it existed in substantially the same form prior to January 1, 1959. . . . passage of this bill will actually discourage commercial gamblers and likely small nuisance raffles and the like."³ Then Governor Bill Egan vetoed the legislation--the veto was overridden. Excerpts from Governor Egan's veto letter follow.⁴

I share with the Legislature the concern of the vast majority of Alaskans for our uniquely Alaskan events and believe it is proper for our first Legislature to address itself to those classics which are historically Alaskan in nature.

I make one exception, and one exception only, in the matter of gambling, and that is in regard to the Chena and Nenana Ice Pools, which have contributed to Alaskan interest in the peculiarly Alaskan spring breakup for many decades.

Since time immemorial, humans have celebrated the advent of spring. In Alaska this occasion has been celebrated by the "going out" of the ice on our great rivers--rivers which once represented our highways of commerce. The long winter night is broken, the waters are free and productive, and all Alaska is warmed by the thrill of new activity. In my mind these considerations are so great, our custom of such long standing, that the Legislature would be justified in enacting legislation which would permit the continuance of these two ice classics under such terms and safeguards as may be reasonably necessary."

Within a month of the passage of the charitable gaming laws, an attorney general's opinion was issued relating to the limitation of ice classics. "While there may have been other ice pools conducted prior to the date of this Act this language shows that the legislature intended to authorize only those two [the Nenana and Chena] pools and none other."⁵

³Alaska House of Representatives, Report of the Free Conference Committee on SB 143, February 24, 1960, House Journal, p. 276.

⁴March 7, 1960, House Journal, pp. 412-414.

⁵1960 Opinions of the Attorney General, No. 8, p. 2.

Representative Hudson
April 10, 1989
Page 3

In 1976, the charitable gaming laws were amended to except raffles, lotteries and rain classics from the requirement that activities must have existed in substantially the same manner prior to January 1, 1959. Specific events and operators were neither specified nor limited for rain classics.⁶

In 1985, the legislature authorized the Kuskokwim Ice Classic, to be operated and administered by Bethel Social Services, Inc. During committee consideration of the bill, Representative Mike Davis asked why the operator was designated in statute. Sally Smith, Department of Revenue, did not know and the bill sponsor was not present to respond. The committee discussed allowing the municipality to designate an operator but did not act on the bill at that meeting. I found no further discussion regarding the designation of an operator and the bill passed with the designation.

In 1986, SB 402, adding a Yukon River Ice Classic to be operated and administered by the City of Fort Yukon was introduced. The Senate finance committee substitute, with no designated operator, passed the Senate. The House rules committee amended the legislation by replacing the designated operator for the Yukon River Ice Classic and adding a Kenai River Ice Classic, the Fairbanks Mercury Classic, and a Fairbanks Goose Classic, all with designated sponsors. On the House floor, the bill was amended to add a Kenai Goose Classic.⁸ A salmon classic was added the same session.⁹

* * *

I hope this information is helpful. If you have questions, please call.

⁶Chapter 66 SLA 1976.

⁷Chapter 27 SLA 1985.

⁸Chapter 93 SLA 1986.

⁹Chapter 94 SLA 1986.



CAMAI-I

1991 Hughes Way, Juneau, Alaska 99801 • (907) 789-0449

<u>What</u>	Alaska-Soviet Ice Classic (For the Bering Strait Breakup)
<u>Begins</u>	Spring 1990 -- simultaneously in Alaska and the Soviet Union's Magadan Province
<u>Ticket sales</u>	April 15 - May 25 (Breakup usually occurs from mid-June to mid-July)
<u>Number of Tickets</u>	50,000 in Alaska; 50,000 in the Soviet Union
<u>Costs of Tickets</u>	\$2.00 in Alaska; 1 Ruble (\$1.60) in the Soviet Union
<u>Alaska</u>	Run by CAMAI, Inc.
<u>U.S.S.R.</u>	Run by the Foundation for Social Inventions, a Soviet agency.
<u>Where Tickets Sold</u>	Bookstores, Liquor Stores, College Campuses, General Stores in smaller communities, and through organizations dedicated to promoting international understanding.
<u>Use of Earnings</u>	44% in prizes; 30% in administration and expenses of the Ice Classic; 26% profit for CAMAI Cultural Exchange to promote Alaska/Soviet cultural exchanges with the goal of internation- al cooperation and understanding. In the future, CAMAI intends to share a portion of the net profits with local nonprofit organ- izations dedicated to promoting international understanding.
<u>Ticket Design</u>	CAMAI logo of Alaska-Siberia Eskimos



Cha-mi : "Hello" in Yup'ik Eskimo



1991 Hughes Way, Juneau, Alaska 99801 • [907] 789-0449

March 8, 1989

Representative Bill Hudson
Alaska State Legislature
Juneau, Alaska

Dear Representative Hudson:

Enclosed are descriptive materials of the activities and projected activities of Camai, a non-profit organization formed in 1985 to encourage diverse cultural exchange between the Soviet Union and Alaska.

In order to raise funds for Camai's continued existence and the existence of similar groups, Camai proposes an international ice classic, where people in countries around the world would guess the exact time the ice melts between the Soviet Union and Alaska, between Little and Big Diomedes. Gennadi Alferenko, one of Camai's counterparts in Moscow has agreed to organize this event in the Soviet Union through the Foundation of Social Innovation, of which he is the director. Mr. Alferenko has a U.S. office in San Francisco, and is opening another one in Juneau. Roubles raised in the Soviet Union would be used to host Alaskans and others traveling in the Soviet Union, and other projects that promote international understanding and peace. Camai also plans to approach other states within the U.S. where lotteries are legal to participate.

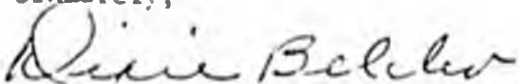
This will bring international attention to Alaska each year, and will raise needed monies to continue to bring Soviets to Alaska, and send Alaskans to the Soviet Union. There are hundreds of projects planned across the State, including an international youth conference, dog sled races, native conferences, student exchange, sports tournaments, tourism, wilderness trips, and exchanges of music, dance and the visual arts. None of these can take place without funding from both sides.

Half of the monies raised in each state or country would be allocated to cultural exchange efforts within their borders, and half would go to a international fund that promotes understanding and peace, administered by an international board of directors. Camai would appoint a Statewide board of directors that would allocate funds raised in Alaska. We feel this should be a private, non-profit effort.

This project would sell tickets internationally from April 15 through May 30, 1990, and would be announced at the first concert of Camai's 1990 world tour, which is planned to take place in Hiroshima, and would be covered by the world press. This tour will include 65 Soviet and 65 American performers and will celebrate the melting of the ice wall and the hope that walls will come down all over the world.

I feel we are at the beginning of a new era in Alaska in the area of trade, cultural exchange and international understanding. All that is needed now is funds. We appreciate your assistance in this project and your continued support.

Sincerely,


Dixie Belcher, Executive Director

Cha-mi : "Hello" in Yup'ik Eskimo

Brief History of CAMAI
(Formerly known as "Alaska Performing Artists for Peace")

- December 1985 KTOO Public Television and Alascom program aired in the U.S. and the Soviet Union.
- January 1986 Preliminary trip to Moscow.
- April 1986 Two-week tour of Alaska by Gennady Gerasimov; visit to Soviet Embassy in Washington, D.C.
- July 1986 Second trip to Moscow.
- October 1986 "Alaska Performing Artists for Peace" tour of the Soviet Union including a world press conference in Moscow.
- September,
October,
November 1987 Dixie Belcher and Chuna McIntyre tour of Alaska and Lower 48. They present "Melting the Ice Curtain: An Eskimo's Vision of Hope".
- December 1987 Meeting with Soviet and U.S. officials. U.S./U.S.S.R. Summit in Washington, D.C.
- April 1988 Three-week lecture tour of the U.S. by Gennady Gerasimov, Chuna McIntyre, Dixie Belcher, and Pat Van Hoecke.
- May 1988 As a result of lecture tour, Gennady Gerasimov begins one-man campaign in Moscow to open the Bering Straits.
- Dixie Belcher travels to Moscow to meet with officials regarding the opening of the Bering Straits and begins to lay the ground work for a world performing tour.



- June 1988 Alaska Airlines Friendship Flight to Providenya.
- July 1988 Meeting in Palm Springs with Gerasimov, Sirhupe Conte, and others to discuss fund-raisers.
- October 1988 Receptions in San Diego, Seattle, and Sitka for Gerasimov. Alaska State Chamber of Commerce presents \$25,000 check in Sitka.
- February 1989 Gala performances in Anchorage celebrating the opening of the Bering Straits.



CAMAI



FROM:
CAMAI
1991 Hughes Way
Juneau, Alaska 99801



CAMAI

*'Music, dance,
laughter...
these are the voices
of the heart.'*



CAMAI (Yupik Eskimo for "Hello") is a unique, Alaska-based organization whose goal is to promote international understanding through the visual and performing arts. One of CAMAI's major achievements has been to aid in the "melting of the ice curtain" across the Bering Strait.

In 1986 CAMAI took 67 Alaskan singers and dancers throughout the Soviet Union on a performing tour highlighting the mere two and one half miles between the United States and the Soviet Union. Eskimo peoples of both sides are closely related but have been separated since 1948 by the existence of a political "ice wall".

CAMAI sponsored lecture tours in the U.S. to raise consciousness about these issues. In the summer of 1988, the Strait opened with Alaska Airline's *Friendship Flight* to Providenia and the sail boat voyage of Alaska Eskimos to Novo Chaplino. CAMAI lobbied extensively in Moscow for both ventures, and Eskimo families on both sides celebrated a wondrous first reunion.

CAMAI's largest project to date is to gather together a talented group of Soviet and American artists for a world performing tour as a symbol of international cooperation beginning in August, 1989.

Since CAMAI is a non-profit organization, funding is key to its success. CAMAI has the vital spark and a vision of a better future ahead. Come join us!

Contributions are most appreciated! All donations are tax deductible.

Founder	\$5,000	Benefactor	\$2,500+
Sponsor	\$1,000	Sustainer	\$ 500+
Patron	\$ 500	Donor	\$ 100+
Friend	\$ 25		

WHAT IS CAMAI?

CAMAI--the Yup'ik Eskimo word meaning "hello"--is a non-profit corporation established to increase international understanding through the performing arts.

CAMAI evolved from the Alaska Performing Artists for Peace, who in 1986 completed a successful tour of the Soviet Union. Featuring 67 Alaskan performers, the tour focused on reuniting the Soviet and Alaskan Eskimo relatives who had been separated since the closing of the Bering Straits during World War II. The universal language of music and dance was successfully used to bridge geographic, linguistic, cultural, political, and ideological boundaries.

CAMAI was formed in 1987 to continue the work of opening the Bering Straits and to help melt the "ice curtain" that separated our two countries. On June 13, 1988 CAMAI's efforts were rewarded when Alaska Airlines flew the historic half-hour Friendship Flight from Nome, Alaska to Providenia, Siberia.

CAMAI's efforts acted as a catalyst to focus the attention and energies of U.S. and Soviet officials, Alaskan and Siberian native peoples on the importance and potential of reopening the Bering Straits.

HOW WAS THIS DONE?

CAMAI raised consciousness regarding the "ice curtain" separating Alaska and the USSR through:

- 1) performances in the US & USSR;
- 2) letters to Soviet and American officials;
- 3) lecture tours in the United States;
- 4) numerous meetings in the USSR with Soviet officials.

The most recent lecture tour in 1988 featured Ambassador Gennadi Gerasimov, former editor of the Moscow News, and now Head of Information for the Ministry of Foreign Affairs and chief spokesperson for Secretary Gorbachev.

WHAT ABOUT THE FUTURE?

CAMAI is now organizing four outstanding events:

*On February 24, 1989, Anchorage, Alaska will host a gala performance celebrating the melting of the "ice curtain" featuring top Soviet and American performers. The Pakrovsky Singers, a Russian folk ensemble and Stas Namin, the most popular Soviet rock band with over 40 million records sold, as well as Soviet Eskimo performers, have agreed to represent the Soviet Union.

*August 6, 1989, will see a joint Soviet-American World Tour commencing in Hiroshima, Japan. The tour kick-off will coincide with a seven-hour satellite production comparable to "Live-Aid".

*Georgian art, wine, and gourmet food will make their American debuts at a series of special fund raising dinners in cities from coast-to-coast.

*Finally, CAMAI is putting together a tour by Soviet poet, Yevgeny Yevtushenko.

Each of these events has as its goal increasing international understanding through the performing arts. Each of these events also will seek to raise funds for CAMAI activities.

WHAT ABOUT FUNDING?

CAMAI is working to establish a foundation to support its efforts at building international understanding through the performing arts through the 1989 International Tour.

We are also currently developing a base of financial support from major corporations. CAMAI receives broad conceptual support from the State of Alaska, the Soviet Foundation for Social Invention and other influential groups in the United States and the Soviet Union.



purpose is educational in nature and designed to develop the capabilities of individuals by instruction.

(13) "fishing-derby association" means a civic, service, or charitable organization in the state, not for pecuniary profit, whose primary purpose is to promote interest in fishing for recreational purposes, but does not include an organization formed or operated for gaming or gambling purposes;

(14) "fish derby" means a contest in which prizes are awarded for catching fish;

(15) "fraternal organization" means a civic, service, or charitable organization in the state, except a college and high school fraternity, not for pecuniary profit, that is a branch or lodge or chapter, of a national or state organization and exists for the common business, brotherhood, or other interest of its members;

(16) "goose classic" means a game of chance where a prize of money is awarded for the closest guess of the time of the arrival of the first goose in spring to Creamer's Field in Fairbanks or to the Kenai River Flats near Kenai and is limited to the goose classics operated and administered by the Fairbanks Montessori Association and by the Kenai Chamber of Commerce;

(17) "gross receipts" means receipts from the sale of shares, tickets or rights connected with participation in any activity permitted under this chapter or the right to participate, including admission, fee or charge, sale of equipment or supplies, and all other miscellaneous receipts;

(18) "ice classic" means a game of chance where a prize of money is awarded for the closest guess of the time the ice moves in a body of water or watercourse in the state and is limited to the Nenana and Chena Ice Pools in the same manner as they were conducted in 1959 and previous years, a Kuskokwim Ice Classic to be operated and administered by Bethel Social Services, Inc., a Kenai River Ice Classic to be operated and administered by the Kenai and Soldotna Rotary Clubs jointly or by either the Kenai Rotary Club or the Soldotna Rotary Club, and a Yukon River Ice Classic to be operated and administered by the City of Fort Yukon;

(19) "labor organization" means an organization, not for pecuniary profit, constituted wholly or partly to bargain collectively or deal with employers, including the state and its political subdivisions, concerning grievances, terms, or conditions of employment or other mutual aid or protection in connection with employees;

(20) "mercury classic" means a game of chance where a prize of money is awarded for the closest guess of the time the temperature reaches a certain degree and is limited to the mercury classic operated and administered by the Greater Fairbanks Chamber of Commerce;

(21) "municipality" means a political subdivision of the state that is a home rule or general law city or borough or a unified municipality;

(22) "net proceeds" means the gross receipts from an authorized activity less the fee described in AS 05.16.020(b), the expenses authorized by AS 05.16.160, and the prizes awarded at the activity;

(23) "numbers wheel" means any electronic, mechanical, or other device with numbers or other figures that are selected randomly and used in a game of chance in which the outcome is determined by the number or figure selected by the device, not including games in which a hamster or other animal is placed in an enclosure with several numbered exit holes and the winner is determined by which hole the hamster or other animal exits, or slot machines or other devices that operate by insertion of a coin or other object that may entitle the person operating the machine to receive a prize by strict dependence on the element of chance;

(24) "operator" means a natural person who, or a municipality or qualified organization that, has obtained a license to conduct an activity subject to this chapter on behalf of a permittee;

(25) "police or fire department and company" means a civic, service, or charitable organization in the state, not for pecuniary profit, consisting of members of a police department or fire company established by the state or a political subdivision of the state;

(26) "political organization" means an organization or club organized under or formally affiliated with a political party as defined in AS 15.60.010;

(27) "pull-tab game" means a game of chance where a card, the face of which is covered to conceal a number, symbol, or set of symbols, is purchased by the participant and where a prize is awarded for a card containing certain numbers or symbols designated in advance and at random;

(28) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, labor, political, or educational organization, police or fire department and company, dog mushers' association, outboard motor association, or fishing derby or nonprofit trade association in the state, that operates without profits to its members and that has been in existence continually for a period of three years immediately before applying for a license; the organization may be a firm, corporation, company, association, or partnership;

(29) "raffle and lottery" means the selling of rights to participate and the awarding of prizes in a game of chance conducted by the drawing for prizes by lot;

(30) "rain classic" means a game of chance in that a prize is awarded for the closest guess of the amount of precipitation which is recorded at a certain location during a certain length of time;

(31) "religious organization" means an organization, church, body of communicants, or group, not for pecuniary profit, gathered in common membership for mutual support and edification in piety, worship,

Foundation for Social Inventions

Фонд Социальных Изобретений

Alaska-Siberia Project

1108 F Street
Juneau, Alaska 99801

(907) 789-4402
FAX 586-1912

The Foundation for Social Inventions is an organization created in 1986 in the new Soviet spirit of perestroika and glasnost. Under the guidance of its founder and director, Gennady Alferenko, the Foundation's objectives are to encourage and accelerate private business, education, and cultural exchanges. Though a non-governmental entity, its operation was approved by direct resolution from President Mikhail Gorbachev.

In the Soviet Union the Foundation's operating methods are simple. Ideas and proposals for improving society are submitted to the Foundation's headquarters in Moscow and are presented via national newspaper for public approval and funding. The author of the proposal then receives money donated by readers to support that particular project. Among the inventions that have seen fruition are: an Afghan veteran rehabilitation center, a home for handicapped children, a sobriety center, the "Semester at Sea" education program, the Samantha Smith Project, and numerous other art, culture, and youth initiatives. The most recent endeavor of the Foundation is the establishment of the Alaska-Siberia Project.

THE ALASKA-SIBERIA PROJECT

During a recent visit to Alaska, it was determined by Mr. Alferenko that dynamic conditions existing between Alaska and the Soviet Union warranted the creation of an Alaska office of the Foundation for Social Inventions, and, the Alaska-Siberia Project. The Alaska-Siberia Project will sponsor international education, cultural, and social exchange between Alaska and our Soviet neighbors. Sister offices are currently being established in Provideniya, Magadan, and Novosibirsk.

The Foundation also serves as a clearinghouse for international business proposals linking foreign businesses with potential Soviet joint venture partners. The Alaska office relays the submitted proposals directly to Moscow for review. Support services provided by the office include attaining visas and Soviet permissions for the exchange.

It is the hope of the Foundation that the acceleration of exchanges between Alaskans and our neighbors in the Soviet Union will serve to strengthen the trust and goodwill between our two countries.

Foundation for Social Inventions

Фонд Социальных Изобретений

Alaska-Siberia Project

1108 F Street
Juneau, Alaska 99801


(907) 789-4402
FAX 586-1912

April 10, 1989

To The Members of The 16th Alaska Legislature:

The Foundation for Social Inventions endorses Camai and the Ice Classic Lottery and lends its full support and cooperation for this joint venture. The Moscow office of the Foundation will supervise the parallel lottery and will be pleased to jointly reward, with Camai, the Alaska-Soviet winners.

Sincerely,



JoAnn Zentner
Alaska Representative

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 8, 1989

Mr. Gennady Alferenko
Director
Foundation for Social Inventions
Moscow, USSR

Dear Gennady:

It's been only two weeks since we met in Juneau, but I'm pleased to have the opportunity to personally send a message of congratulations.

Alaskans are pleased with the announcement that the Foundation is opening an office in Alaska's capital city. Your task is a challenging one: navigating the rough seas of government bureaucracies is every bit as difficult as the barriers faced by explorers and adventurers who preceded you. I am confident that together, we will meet that challenge.

As you know, Alaskans are anxious to melt the ice curtain that for too long has separated the short distance between us. We look forward to working with your office in Juneau to turn well-meaning proposals into realities.

Your efforts are an inspiration to all Alaskans. I commend your pioneering spirit and wish you the best of luck.

Sincerely

A handwritten signature in cursive script, appearing to read "Steve Cowper".

Steve Cowper
Governor

THE ALASKA LEGISLATURE



* HONORING *
* FOUNDATION FOR SOCIAL INVENTION *

The members of the Sixteenth Alaska Legislature offers recognition and congratulations for the 1989 opening of the Alaska office of the Foundation for Social Invention.

This office has been established to facilitate continued communication and interaction between the people of Siberia and Alaska. Such exchanges are the building blocks for a solid framework of trust and goodwill between our two countries.

These exchanges serve as a catalyst in generating social, cultural, economic and educational projects benefitting both of our societies.

This Legislature commends the objectives of the Alaska office of the Foundation for Social Inventions and encourages

CORRECTION

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

THE ALASKA LEGISLATURE



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This Legislature commends the objectives of the Alaska office of the Foundation for Social Inventions and encourages increased cooperative work between the people of Alaska and Siberia.



Jim Gatz
SPEAKER OF THE HOUSE

Tim Kelly
PRESIDENT OF THE SENATE

Date March 8, 1989

Requested by Representative M. Davis;
Senators Kerttula, Fahrenkamp and Duncan

Foundation for Social Inventions

Gennady P. Alferenko, Founder and Director. Telephone 257-2228 (office); 286-5793 (home)
Main office: *Komsomolskaya Pravda*, Ul. Pravda 24, 6th Floor, Moscow 125866, USSR
USA office: 3220 Sacramento Street, San Francisco, CA 94115, USA. Telephone 415-931-2593

What is a Social Invention?

What is a social invention? The best answer is an example. The telephone, which we use every day, is the fruit of inventive work in the field of electricity and electronics. The inventor of the telephone performed a service in becoming the author of a social invention. The engineer who invented the communications satellite could hardly have suspected that he was creating the basic principle of a social invention—international communication with the help of space bridges. But where could the author of the idea of international communications get a patent for his invention? Only in our Foundation.

The social inventor is as essential a creator of progress as the modern physicist, biologist or programmer.

We see yet another reason for the need for an association of social innovators—it is one tributary of the river called democratization, one of those tributaries which facilitates the establishment of an atmosphere of creativity, dynamism of social thought and, in consequence, accelerates the development of the entire society. "It is important today for us to study everything and to teach young people social creativity, because no progress is possible without it." Delegates to the twentieth Komsomol Congress were reminded of these words of M. S. Gorbachev. They are the key to understanding the importance of innovation in the social sphere.

We hope that our Foundation will unite everyone who, by his or her actions, contributes to the success of perestroika, to improving and perfecting our lives.

Money for Ideas

By Gennady Alferenko

[Gennady Alferenko is a geophysicist. He is a graduate of Novosibirsk State University. He has worked in his field, as well as in public work. He organized the country's first legally established voluntary youth organization. Alferenko originated the Foundation for Youth Initiatives and, in 1986, the Foundation for Social Inventions. In 1986 Gennady Alferenko was invited to become a special correspondent of *Komsomolskaya Pravda*.]

Let's celebrate! Our lesser brothers in zoos have a chance to better our lives. Vasily Peskov has set up a Foundation for Assistance to Zoos in record time, without the usual red tape and without having to reach tiresome agreements. Note the way the Foundation was established, which would earlier have been unthinkable, even in our wildest fantasies: the initiative of the author—support

The Foundation's operating methods are simple. The best and most interesting projects, proposals and statements sent by readers to the Foundation will be presented for your financial support. The author of a project which receives readers' approval will receive a monetary prize, consisting of the money designated by readers to go to the Foundation's account for implementing that particular project.

Every ten days we will tell our readers how much money the Foundation has received and which projects the contribu-

from the newspaper's editorial Board—agreement by the Board Chairman of the USSR State Bank.

There's an old argument. Some claim that in the beginning was the word, others say the deed. I am convinced that in the beginning there was a leader, who pronounced the word and accomplished the deed.

For decades we have heard the phrase: "The initiative of working collectives was picked up by ..." By whom? We all know—by other collectives. And who was the author of this valuable undertaking? A colorless anonymity is the enemy of lifegiving energy. Reward someone, don't be stingy, and he will roll up mountains and break the horns off the devil.

Thousands of people, believing in perestroika, will contribute their proposals and ideas for renewing society. In this era of glasnost we should work out a system for guaranteeing the implementation of popular initiatives. The authors of ideas walk a difficult road, especially at a crossroad, the danger zone. But what if one goes straight ahead, as in the example

tions were sent for. The money will be turned over to authors of projects and proposals in accordance with readers' wishes, after preliminary verification. We will thereby have, all of us, the opportunity to support good ideas and assure their authors the wherewithal to carry them out. And any one of our readers may become the author of an idea. The mechanism is, as you see, completely democratic.

And so, something new and, in our opinion, interesting. Shall we give it a try?

given above? A businesslike conversation at the State Bank between two busy people—a journalist and a director—served the common cause of millions. But is something like that permitted?—asks the cautious reader, accustomed to await a rescuing decision from on high. And it really is surprising! Everything is allowed which is forbidden by law. It—the law, that is—has, as you see, long protected the direct way of action. However, these barrier-free roads are empty, and there are a suspiciously large number of tired marathoners along noisy and polluted routes. During the long years of stagnation we got used to having every initiative punished. How did the first ones through survive in that situation? By drawing fire on themselves and covering those who were weaker in spirit. They broke through walls and knocked foreheads under a noisy verbal accompaniment—Long live initiative! To introduce new ideas—this is literally to intrude into hostile territory. Have there been many such intrusions? The fact that more than 15,000 ideas and projects have been sent to the All-Union Competition of Social Initiatives announced by the newspaper proves that readers will not hold matters up. However, we are put on our guard by the continuing large number of letters from people who have struggled vainly for years in lonely battles against bureaucratic attitudes.

"Help me, 'Komsomolka'," writes Ilya Nikolayevich Savin, a member of the Komsomol in the 1930s. "Be my collaborator in a great national cause. The country needs healthy people. Who, if not we? When, if not now? For decades I have been making the rounds of executive offices of archetypical bureaucracy, from local to regional, to provincial and even higher levels. Alas ... I proposed to establish an experimental-prophylactic flora on the basis of my stock in plants, which amounts to many thousands, and my annual stock of millions of seeds resulting from thirty years of selecting and analyzing fruit and berry plants. This garden-nursery would have an annual yield of millions of plants and would become the base from which to establish an extensive network of regional and school botanical gardens for health, longevity and beauty."

In his application for a "patent for social invention", Ilya Nikolayevich Savin again bitterly emphasizes the reason for the "non-introduction" of his social project for gardens of health, longevity and beauty—a "stick-in-the-mud-attitude, bureaucratism, idle chatter and Communist arrogance." And what about Gennady Loginov, a 24-year-old invalid of the first group? He has dreamed since childhood of helping all invalids, especially those gravely handicapped, "to realize their place in social and political life, to help in forming friendly contacts and developing creative interests." Gennady proposed that an All-Union correspondence club be organized for young invalids; many of his friends are prepared to finance the publication of a magazine for club members, with their names and interests. Others, carrying Loginov's idea further, propose to set up a nationwide voluntary service to care for invalids and the aged. They suggested a name—"Living Help"—and sent in their first contributions. But what prevented 92-year-old Ivan Petrovich Pogonyayev from setting up a "cost-accounting service center for official cars in order to reduce unproductive expenditures for maintenance at every enterprise"?

Departmental bureaucratism, notes Ivan Petrovich ruefully in his statement submitted to the contest of social inventions. I put in a call to Kursk. There is still no service center for official cars in Kursk. Sad to say, Ivan Petrovich Pogonyayev is no longer with us...

Academician P. D. Grushin, twice awarded the title Hero of Socialist Labor, contributed 140,000 rubles toward building a center for young technicians. Local officials felt a sense of their own responsibility in the face of this noble beginning. A plan for the center is already being worked out and a contractor has been found. Dmitri Alekseyevich Ragulin, a director with the USSR State Bank, called me and said: "The newspaper's assistance is needed for a good cause. I see here the start of a whole movement throughout the country." A volunteer support group for building this center for young technicians was formed on the spur of the moment. Komsomol official Aleksandr Shecherbakov has joined it, as well as Ragulin and the city executive

committee chairman. A chain reaction of good will—one good deed generates another.

The questionnaire for participants in our contest for social inventors asks: "What help do you need?" Most have agreed with Ivan Petrovich Pogonyayev—they need general public support and approval.

Not all of us are long-lived Caucasians, and there are few immortals—our lives are all too short, and we fervently want to see our ideas carried out in our lifetime, in all their colors and sounds. In cities and villages transformed into fine and beautiful places which inspire us by their goodness and light. That is why the editorial board of *Komsomolskaya Pravda* decided to organize a voluntary association of the newspaper's readers—the Foundation for Social Inventions. When I read the Statutes of the Foundation, I frequently ask myself: Were we not too clever by half?

Will the very title of the Foundation be understood? Or the meaning of its work? We discussed the idea of the Foundation for a long time, and we conferred about the Statutes. Probably not everything in them is perfect, but after all experience itself will show what's wrong and correct it. We must give it a try. And so it was decided.

"I approve of the creation of the Foundation for Social Inventions," writes construction worker Vladimir Ignatov from Katayskiy rayon, Kurganskaya oblast. "I am contributing 500 rubles to the Foundation's current account, #700344, in the Sverdlovsk branch of the State Bank toward the reprinting of the book 'We and Our Children', by L. and B. Nikitin. This book has not been republished here in the last seven years, while it has appeared in the FRG and Japan every year for the past few years. I feel that widespread adoption of the Nikitin's experience would improve children's health." Ignatov, having voluntarily given 500 rubles, decided as a contributor to the Foundation to urge our publishers to print this book. If he succeeds, Vladimir will certainly read the following in the book's introduction: "This book has been reprinted on the initiative of Vladimir Ignatov and the readers of *Komsomolskaya Pravda*."

In the past, naturally talented people were sometimes noticed by powerful and wealthy men and a wonderful thing happened as a result—their forces were multiplied many times. His patron protected an author, gave him enough money to live on in a dignified way while carrying out his ideas, and inspired faith in goodness and justice. The Foundation for Social Inventions will be a guarantor of support—both material and moral—for your creative initiatives. If the more than seventeen million readers of *Komsomolskaya Pravda* support your project and decide to help finance it, you will have a real opportunity to view its fulfillment. Or the reverse, if your idea is far removed from people's vitally important needs. The sum collected may turn out to be very modest, but there's no need to despair: experience has shown that even a small amount is useful. Especially in a project's initial stages. This "seed" money, a permanent popular loan, will help strengthen your faith in yourself. This initial capital will also help you to defend yourself against local bureaucrats. We generally hear the following: in this month, quarter, six-month period, year, five-year plan period (underline the appropriate phrase) financing is not envisaged. All funds are already committed. Apply again at the appropriate time. The circle of administrative tidiness closes. The author of an idea, growing weary of his own enthusiasm, once again falls into the crevices of the administrative apparatus. The energy of creation flows instead into the energy of the struggle for existence. Thus it was yesterday, and thus it sometimes is today. What will it be like tomorrow?

Viktor Fedorovich Shatalov, an innovative teacher, told me how much he needs a pedagogical-methodological center to carry out his ideas. He has long needed some assistants—not many, ten to fifteen people, but until recently he was told that there was not money for such a center.

How useful "popular" credit would be for social innovators in such a soul-destroying situation as having to wait for a decision from above!

We have learned to our sorrow to preserve, protect and, sometimes, to introduce technical inventions by halves.

According to the country's existing legislation, the authors of technical innovations are recognized, but organizational innovations remain anonymous and ownerless. It's unclear who first thought up a new type of service, a new type of hospital, school, drugstore, etc. The time has come to care about and preserve social and organizational ideas as part of the country's intellectual wealth.

The time has also come to create a Foundation of Social Inventions with the legal rights of an individual. Thanks to this Foundation, we hope that the reader who has an idea will have the chance to present it in the newspaper, to submit it to public opinion and to obtain seed money to carry it out to the degree it deserves.

As a rule, authors of bold social projects will have to roll up their sleeves to bring their project to life. Or they will have to entrust this demanding job to an initiative group. I am pleased to report that there will be no staff officials or burgeoning administrative staff. I see the Foundation of Social Inventions as an open network of cooperation created from all offshoots of what is new. While relying on positive tendencies, we wish to reinforce them.

In recent times the sales market for new products and technology has been dominated by enterprising small "imperialist sharks", thanks to their refined system of support for devotees and enthusiasts and the encouragement given to volunteer research teams working intensively to develop new products or technology. Noisy, inconvenient enthusiasts are the main stimulants to scientific and technical progress. The new technological revolution was not carried out by large companies and powerful firms, but by an isolated innovator building the first personal computer in his garage. Don't be surprised if you feel the next breath of the scientific-technical revolution from across the ocean after we have tormented our own enthusiasts by another series of inspection and control raids. What is needed is not a great deal—complete and final trust in a social innovator, a good word for his innovation, and some money to carry out the project. The rest he will do himself.

Our historical experience teaches that, thanks to innovation, enthusiasm

and selfless labor for the glory of our country, we have made advances in a great variety of fields, and many times over. We must learn to cherish these spiritual values in our land. Their sources, their motherland, are here.

In a Good Cause

Journalist Valeriy Khiltunin presents the "Children's Home" Project:

When answering letters from people asking about what meaning life has, who write that they have lost hope for the future, saying, "I am on the verge of committing suicide" (alas, our mail does contain even such confessions), I always send off the following: "Dear Friend: If, despite all your problems, you still have 55 kopecks in your pocket, go at once to Zagorsk, by train from the Yaroslavl Station. When you get there, don't go to the monastery—they wouldn't be likely to help you, and if they did console you it wouldn't be likely to help you, and if they did console you it wouldn't be for long. Go instead to an unprepossessing building on Red Army Avenue, No. 94. Walk in boldly—your password will be 'Komsomolskaya Pravda.' Write us what happens."

They do write. They thank us. Their tormenting thoughts fly away. One's own life appears in a completely different light in the face of real and not imaginary human suffering and the struggle to find happiness.

Deaf-mute children from every part of the country live in No. 94.

I won't attempt to depict the modest setting in which this social experiment—which is of worldwide importance—is being carried out. It is an experiment designed to show that man is himself the creator of his fate, that he can surmount even the most terrible conditions if circumstances are changed. The small building is a pre-revolutionary structure, and the roof needs constant patching, furnishings are poor. True, the situation will be corrected in a few years—a new complex, on a modern design, is being built on the outskirts of Zagorsk. But that will probably take quite some time.

Meanwhile the principal burden of all repair and construction work falls on the shoulders of...the readers of *Komsomolskaya Pravda*. Those very people who once received our advice about the 55 kopecks or people who came to see this miracle with their very own eyes, and were captivated. No one delegated them they are simply schoolchildren, polytechnical pupils, students, and young workers. Since October of 1979, when the first article appeared in our newspaper, around seven thousand people have come. Some show up almost every Sunday, summer and winter. This is a surprising fact of our life.

Many people know that four graduates of the Zagorsk Children's Home have graduated from Moscow University. Unfortunately, since that time (several years ago) it has not been possible to repeat this experiment: neither the scientific or technical base permits it, and there is not yet a special laboratory to combine the work of philosophers and psychologists, pedagogues and ethics teachers—there is talk of making space for such a laboratory in the new complex, and it is possible that an international group will staff it, such as exists at Dubna. And the fact is that the secrets of the atomic nucleus are as nothing compared to the secrets of the human psyche, whose form is most apparent precisely here in Zagorsk if observed, naturally, with a wise and attentive gaze!

The moral state of a society as always been measured by its relation toward those most injured by fate, by its relation to those who are weakest and least powerful, whether they are children, the elderly or invalids. Without our help such people cannot survive.

You can take part in this help, both personally (if you have at least 55 kopecks for the train) (and by designating an amount of money to be credited to our Foundation for the Children's Home project.

Writer Yuriy Yakovlev Presents the "Samantha" Project:

Samantha Smith. When we say this name, the girl comes alive in our imagination. Her large eyes, filled with the sky. Her long lashes. Her half-open mouth,

the two upper front teeth a little bigger than the others. The little girl is smiling, and we respond with a smile. Two years have already gone by since her death, but her smile remains frank and a little sad.

After Samantha something changed in the world, there was a warming trend, the appearance of hope. The small spring discovered by Samantha has become a river of hope.

A new concept appeared in our world—people's diplomacy. And children's diplomacy is gaining in strength along with it. It is powerful in that children are more direct than adults, and they find a common language more easily. And that is what is most important today in preserving peace: finding a common language.

Samantha was the first child diplomat.

She was an ordinary little girl. She was an extraordinary little girl. The world trusted her and trusted in her. And therefore death did not stop Samantha's heart. It beats in the breasts of millions of her contemporaries. For them Samantha is still alive—they have not acknowledged her death: They write her letters, name groups and clubs after her and include, as it were, an American girl in their company.

They carry on Samantha's cause—the struggle for the continued existence of this planet. They preserve Samantha's truth: War will never originate in the land of the Soviets.

The "Samantha" Project should join together our youthful fighters for peace, child internationalists. Samantha's compelling image has already inspired them to work for many marvelous causes—after all, one must work, make efforts, accomplish deeds in making one's modest contribution to the "Samantha" Project.

Perhaps the most valuable element in the "Samantha" Project is not the money contributed, but children's activities, those children's initiatives which are inspired by Samantha's image.

And so, *Komsomolskaya Pravda* readers, the Soviet Committee for the Defense of Peace, and the magazine *Yunost* present the Samantha Project to you.

The Project's tasks are to acquaint foreign children with life in our country,

with our country's love of peace. Our children will become guides for our guests—that is the basic idea, but to do this they must have a profound knowledge of our people, of our history, and by studying these our Soviet children will gain an intensified patriotic, international education.

Each contribution to the Project's bank account must be accompanied by a description of how the money was earned. Stories written by young friends of Samantha need not include money.

A press center will be set up in the editorial offices of *Komsomolskaya Pravda* to work with the post office. Children, cadets, and members of KID will work at the press center. The most interesting initiatives will be noted and thanked by the Foundation and will be described on the pages of *Komsomolskaya Pravda* and *Pionerskaya Pravda*.

Perhaps the Samantha Project will become a center for children's diplomacy. Perhaps in time it will become a Children's Committee for the Defense of Peace?

It would be hard to overestimate the Samantha Project's moral and educational importance to Soviet and foreign children. Possibly after a time a Samantha Medal will be created to be awarded young peace activists, both here and abroad. And it would be a good idea to commemorate the day on which the young messenger for peace died as Samantha's Day.

And so, dear readers, we present you with our first two projects, entitled "Children's Home" and "Samantha." If you wish to contribute money to one of these projects (it may be any amount), you should go to the nearest post office and make out a postal money order.

If you have any questions concerning the Foundation's activities, you may call 257-22-28 after July 24.

A Patent for a Social Invention?

In recent years, it has become a common occurrence that a city builds a village. Where the industry and farming is concerned, a village cannot do without the help of a city. But a peasant house is a whole different thing: an estate, a street, a surrounding village. It is precisely here that the construction and socio-cultural reserves of a village can and should be utilized, which would make constant dependence on the city building industry unnecessary.

The principle of the program is: "A village building a village." It is to be realized as a self-supporting venture. The program proposes a collective (within the framework of industry) complex approach to solving social and construction problems, including in the process the reestablishment of specialist-architects. An important characteristic of the program is its emphasis on concrete conditions, possibilities, and reserves of each industry. In the given publication, it is only realistic to name the main chapters of the program: the communal zone; a unique school-club system; industrial method and reserves; residence buildup; the possibility to apply the program when establishing in new territories.

The program was worked out on personal initiative in the beginning of the 80's. But in 1985, it was proposed to the *Komsomolskaya Pravda* competition. In the preceding years, the attempts to interest industry leaders met with no success, since while our basic views coincided, it became clear right then and there that such social innovations were above their competence. At present, the situation in the country is sharply changing, and I would really like to hope that those to whom the program has been proposed will respond. Attracting specialists to this work is also becoming realistic. The recently created All-union "Archproject," under the auspices of the Union of Architects of the USSR, could create under its roof a special "office for introduction." In conclusion, I would like to emphasize that the program itself is not an end in itself. The goal is to create a new

Our Founding Members

Yevgeny Velikhov

(Academician, vice-president of the Academy of Sciences of the USSR. Organizer and chairman of the initiative committee of the International Foundation for the Survival and Development of Humanity.)

I consider the Foundation for Social Inventions, created by *Komsomolskaya Pravda*, to be an enterprise with a great future. I participated in evaluating new ideas and projects which had been submitted to the newspaper for the competition of social inventions. The idea of guarding and protecting not only technical but also organizational and social decisions has long been maturing. Now that the newspaper is planning not only to publish social projects of the authors, but also to help them with the organization and financing, the most interesting ideas will emerge into life through the new foundation. Now we have funds created in different directions (in the US, for example, there are more than 30,000 of them), and people will finally have a choice of the fund to which they would prefer to send their donations. There could be no monopoly here, no hierarchy—the new situation of competition of the very different organizations will refresh the atmosphere in our society.

image of the Soviet village—new in spirit and architecturally artistic. It should become for its residents a kind, dear, and beautiful home, built with their own hands. I am hoping for the support of the Komsomol and the Youth.

—L. Tugarin, architect
Leningrad

Tatiana Zaslavskaya

(Academician, president of the Soviet sociology association, and author of a series of scientific ideas on new farming systems.)

I am worried about the hesitant attitude of many people toward perestroika. People are waiting; at best, they become rooters for the perestroika team, but more often, they just become the judges on the sidelines.

Such behavior is understandable: for a long time, we were obedient, passive, and sleepy. But if we do not wake up now, the perestroika team will not win.

How was it before? We turned off the living energy of the masses. Ideas were born at the bottom, but died when they reached the carbonic acid atmosphere. Now, it is important to notice not only the separate shoots of innovation, but entire lawns pushing through the asphalt. The spark has been lit, now we need to use our efforts so that the firewood starts burning instead of lying as a wet heap on the green grass.

What is so dear for me in the movement of social inventors? It is one of the main strengths of perestroika, the essence of which is the transfer of our society onto a different trajectory of socio-economic and cultural development. Society must realize this transfer by its own efforts, by the actions of millions of people.

Sviatoslav Fedorov

(Member-correspondent of AMN of the USSR, general director of the interbranch scientific-technical complex of eye microsurgery. He proposed and realized in practice a new model of organizing medical assistance.)

The Foundation for Social Inventions is a brilliant idea, and what is most important is that it was born at the right time. How can you help social inventors? You need to take your own idea and fight for it: saving drowning victims is an act of the drowning victims themselves.

Initial support will be enough. The

most important thing is to not put the brakes on those who have the courage and who rightly believe that taking a risk is a noble deed. If there is love and obsession—we should not kill or destroy them!

Vladislav Serikov

(Hero of Socialist Labor, Awarded the Government Prize of the USSR. For the first time in industry construction, he applied the method of brigades.)

I am not a theorist, I go by feel. I feel and I see—the needed and living ideas are at the bottom. People have to be shaken up, they need to be, so that they would want to live on a broader scale. Social activity of the working man is incredible, once he starts moving. A group of academics cannot imagine anything like what a team of free, independent workers with initiative in their labor could think up. I was recently asked, "What is most important today?" The most important is to search for ideas, corresponding to the times. And here the newspaper, creating the Foundation for Social Inventions, got successfully on the right track.

We are Waiting for Your Call! (257-2228)

"Hello, Moscow, please answer the call from New Kakhovka. Is this the Fund for Social Inventions? Igor Galushko is speaking to you. I work at a factory as a mechanic-electrician. I would like to put money into your account each month from my paycheck, through the bank. Is that possible?"
"Yes, Igor. Thank you for your kind attention."

"Good day. I am Boris Kirillovich Kolo-miets, assistant professor, from Moscow. I read about the Fund. From the point of view of a systematic analysis, everything is normal. I am ready to work with you.

The circle of my interests includes problems of democratization, self-government, and choice."

"Thank you. If you have nothing against this, we will invite you for evaluations and observations of readers' projects."

"This is Gennady Mikhailovich Blinov speaking. I am a doctor-psychiatrist, a member of the Union of Artists. I am proposing to create a museum for friends. I will do it together with my son, Petr, and anyone else who is willing."

"And what will you exhibit in the museum?"

"The traditional Russian toys. I have been collecting them for 21 years now, from all over Russia. I decided to give you this collection of more than 500 unique pieces. Will you be able to find a space for it? I would like to invite you to my house to look at the toys. And you could look at my books, while you are at it. I have written more than twenty, in various different languages."

"Is this really a fund? Tell me, honestly, where is the guarantee that your fund is not just another "feeding trough?" Haven't there been enough well-meaning beginnings? And all of them turned into the same bureaucratic mess."

"We thank you for the warning. We will try to prove by action that it is not correct."

"Please do not get upset at me. I like the idea of the Fund very much, but I do not want to participate in abstract things. But I probably will support Shatalov's project."

"Excuse me, but you did not present yourself."

"Fliura Zараeva. I am from Tashkent."

"This is from the city of Ivanovo. Secretary of the city committee, Evgenii Markov speaking. Recently we created in our city the Fund for Youth Initiatives, with legal rights. Now we really need ideas. We are prepared to realize the projects, which are within our capacity, from the bank of ideas of the Foundation for Social Inventions. It is possible to talk with you about an agreement on joint ventures."

"Very good. Our Foundation is for pa-

perless technology. Consider the whole affair done."

"Hello. I am Badek Atamov from Baku, the head of a factory department. What kind of invention is considered social? I, for example, I invented a car."

"That is a technological invention."

"Yes, but it has a social effect."

"Unfortunately, our Fund does not look at technological ideas."

"Hello, this is Anvar Iunusovich Khusainov, from Bukhara, the head of the political department of the regional executive committee, and I was in the recent past a Komsomol worker. I was flying in a plane and read about the Fund for Social Inventions."

"We did not scare you with this publication?"

"It refreshed me. I have been thinking about children's colonies for a long time. We need a new approach. We need to think how, after having tripped, we can avoid falling on our face. I have some ideas."

"Thank you. We are waiting for your project."

"This is Aleksandr Vasilievich Panfilov speaking to you. I am a labor veteran, a winner of the USSR Council of Ministers' award. I would like to work with the Fund."

"We agree to that."

"Hello, we heard about student collective farms. I will introduce myself—Leonid Dotsoev. I have spent 15 years organizing them, and 400 university departments have my recommendations on the subject. I would like to present my model of organizing mass-cleaning campaigns with the participation of students as an application for a social invention."

"We are ready to look over your application."

"Thank you. Here is some useful information. I forwarded some money for the project "Children's Home" through the bank. It took them a long time to find the blank. I helped them find it. It turned out to be the typical one, Form PD-4."

Above is the fragment of a brief recording of the first telephone connection be-

tween the Foundation for Social Inventions and the readers. While on line, we understood something: there will be many co-workers. There were many calls from Komsomol committees, where they reminded us that they were ready to realize new projects. They proposed to organize an open competition of realizing the more interesting projects and ideas proposed to the Fund. We would go for that.

—Gennady Alferenko, Director

Excerpts from the Regulations

I. General principles

1. The Foundation for Social Inventions (the Foundation), is a voluntary union of *Komsomolskaya Pravda* readers, which is based upon self-regulation. It performs collective creative work and communication with the goal of organizing joint ventures in developing social innovations and in the realization of new, socially significant ideas and projects in the sphere of the society.

2. The basic goals of the Foundation are:
—promoting initiatives, especially from the youth, of establishing and developing creative and business contacts between authors of social projects, ideas, and inventions;
—organizing business consultations in the area of social inventions;
—holding socio-economic experiments with interested organizations in creating a mechanism for realizing publicly significant initiatives.

3. The Foundation, in order to accomplish its tasks and reach its goals:
—provides creative, organizational, and financial assistance to social innovators in realization of new ideas and projects;
—creates a computer data base of ideas and proposals based upon readers' letters to *Komsomolskaya Pravda* and *Sobesednik*, provides consultational assistance to the authors;

—organizes self-supporting art studios, auctions, festivals of ideas, industry fairs

of social projects, and other creative and business activities of the Fund, under the regulations;

—creates an open network of joint ventures and mutual support between youth initiatives;

—holds open competitions between authors of social inventions and advertizes them in newspapers *Komsomolskaya Pravda* and *Sobesednik*, organizes an expertise of judges for competition projects, and financially awards the competition winners in the established order of prizes;

—helps to create working groups on intensive development of creative thinking, organizes work of temporary groups which realize ideas and projects.

4. The Foundation is a legal entity and has an independent bank account, its own emblem, and a circular seal and stamp with its title.

II. The members of the Foundation; their rights and obligations:

5. The members of the Foundation are authors of social projects, ideas, and innovations, who have experience as innovators in realizing creative conceptions in a chosen sphere of activity. They are selected as a result of a competition by the readers of the newspaper.

6. The members of the Foundation have the right to:

—freely receive information about the work of the Foundation and participate in governing its activities;

—participate in the creative studios, festivals of ideas, competitions, and fairs of social projects organized by the Foundation;

—receive, in correspondence with the Foundation's established order, financial assistance for creative activity.

7. The members of the Foundation are obligated to:

—continue to improve their creative and business qualifications in their chosen sphere of activity.

III. The governing organs

8. The governing organs are: The Great Readers' Council, Board of Directors, and the Entrusted Inspector.

9. The exclusive duty of the Great Readers' Council is amending the Regulations of the Fund. All other questions con-

nected with fulfilling regulation tasks and goals is reviewed by the Board of Directors, selected by the Great Readers' Council for a term of one year.

11. The Board of Directors awards monetary prizes, a diploma, and a medal of the Foundation to authors of social initiatives for realizing the most significant ideas and projects.

13. The Foundation applies new sources of informational and paperless technology, providing organizational mobility and business-like character to its activity.

IV. The Foundation's resources

16. The Foundation's resources are created from:

—donations from *Komsomolskaya Pravda* readers and from organizations, wishing to co-sponsor the realization of ideas and projects of the Foundation;

—donations by the members of the Foundation, given for a specific purpose;
—contributions from various organizations according to joint-venture agreements;

—revenue from paid exhibitions, auctions, fairs, competitions, and other creative and business activities of the Fund, under its regulations of tasks and goals.

17. The Board of Directors brings out for the Great Readers' Council meetings perspective ideas and projects, and informs the readers of the newspaper *Komsomolskaya Pravda* about the submitted donations and their expenditures.

[These articles appeared originally in *Komsomolskaya Pravda* on July 22, 1987. For more information please write to either of the addresses on page 1. The USA office is operated by Washington Research Institute, a 501(c)(3) tax-exempt corporation. Contributions for the Foundation for Social Inventions may be sent to either address. Contributions sent to the USA office are tax-exempt if made payable to "Washington Research Institute / Foundation for Social Inventions". All contributors and correspondents will receive a free subscription to WRI's *3220 Gallery Newsletter* and to future FSI publications.]

Foundation for Social Inventions

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Enthusiasts and Inspectors

[*Komsomolskaya Pravda*, November 19, 1985. Translated by Yuri Sviridov, July 15, 1988]

Many young men and women in the Soviet Union today feel frustrated. They complain that they often find themselves trapped in boring, dead-end jobs, that they have no worthwhile careers to pursue, they can find no meaningful leisure activities, and that they just vegetate. Well, it's becoming a serious national problem as frustration among the young often erupts in anti-social behavior, such as hooliganism, and alcohol and drug abuse. To assert themselves in the eyes of the adults and in the eyes of their own age-mates and peers, it's important for today's teenagers to develop at least some of a wide range of basic attractive qualities and character traits, such as independence of judgment and action, intelligence, courage and boldness, drive, determination, strength of character, charm and charisma, persistence, singleness of purpose, originality and freshness of approach and style, etc., etc.

It's great when young people acquire and display these admirable qualities when they work toward goals that contribute to the common good, and are useful to the society they live in. Unfortunately, those young men and women who are lucky enough to find things to do that are both socially useful and significant and win the approval of their peers, the younger generation, are few and far between. There are many reasons why this is so. One of them is the fact that the existing system of organizing, developing, and managing initiatives generated by informal youth groups and associations in the Soviet Union lacks due flexi-

bility. Even long-approved measures and activities planned for the young often are kept alive only by the dedication and drive of the enthusiasts who are, inevitably, too few to go around. In this situation, no well-designed and integrated system for encouraging meaningful and socially useful leisure activities for the young exists anywhere in the Soviet Union. As a result, there is a certain amount of chaos in this important area of national life.

In some areas they tend to place the emphasis on urging young people to go in for sports almost to the exclusion of all else. In others they do the opposite and call on teenagers to let their hair down in discoteques, and still others, the young are urged to enroll in all sorts of interest groups, technical ingenuity clubs, etc. And everywhere, of course, they fall short of their target as the real interests of young people cover a much wider range than the feeble imagination of local youth affairs bureaucrats in charge of planning leisure activities for the young can encompass. I am convinced that the vast majority of members of all sorts of informal youth groups and associations would actually prefer to pursue their activities in an organized fashion, if only there were competent people to organize them. Regretably, lack of attention on the part of the adults to nontraditional, unorthodox initiatives generated by the young puts a quick damper on youthful ardor and enthusiasm, while the compelling need to assert themselves, to put themselves on the map as it were, induces

young men and women to look for things to do and forms of entertainment, the moral virtues of which are rather doubtful, to put it mildly.

We all have to bear in mind that very often young men and women instinctively give a guarded, distrustful response to even the most interesting and innovative suggestions and projects proposed by adults precisely because these are perceived by them as being imposed on them by the adults. And it is certainly true that any false note, even the slightest element of insincerity that attends adult-imposed appeals to the young to be involved in activities useful to the community, often makes them counterproductive and turns young people off, pushing them in the opposite direction. Paradoxically, on the one hand, we call upon young people to be more active, to show more initiative, to be civic-minded, and at the same time, we tend to discourage them, often unwittingly, but our own indifference to their real needs, we inhibit their enthusiasm by our conservative attitudes. Worse still, we've been trying to squeeze the spontaneity and enthusiasm and energy of the young into the strait-jacket of severely regimented frameworks and restrictions which adults in positions of authority in charge of youth affairs and local government officials have invented for their own convenience really. And for their own peace of mind. And the price we've had to pay in terms of the badly mismanaged passage of the young into adulthood has been enormous. So many valuable spontane-

ous initiatives and good beginnings generated by the young have been extinguished by the sanctimonious petty tutelage lavished on them by well-meaning but essentially inept and hypocritical avuncular youth affairs bureaucrats, whose only ambition in life seems to be to have an outwardly successful career and to make sure that everything looks right on paper. This problem goes far beyond that of organizing leisure activities for young people. The disturbing fact is that most of the sports games, musical styles, clothing styles and pastimes so popular with our teenagers have all come to us from the West. Like it or not, but along with these products of Western culture, our young people inevitably get a large dose of ideological contamination, they begin to admire things Western and many of them start even to worship the Western way of life, which is essentially alien to us. All right, granted, there may have been many objective, industrial reasons for the failure to manufacture Soviet-made quality blue jeans and sneakers. But what about the things like the hang-glider, hot air balloons, skateboards, and T-shirts and sweatshirts with those attractive designs printed on them? They too have originated in the West and come to us from the West. Don't we have enough of our own people with imagination who can design and produce all these things for our young people? If only our own amateur, "informal," "unorganized" inventors, of whom there are quite a few could have the benefit of real support including financial support as opposed to just verbal support which is often worthless, the problem of beating the shortage of goods specially designed for young people and of shaping their expectations and tastes and interests would be much closer to solution than it is now. As recent exhibitions of young people's technical ingenuity and engineering creativity have shown, there is no shortage of excellent ideas for original technical and sporting equipment, for fashionable clothing, hiking equipment, etc., etc., for use by our young people. A great many excellent and perfectly workable ideas are discussed almost daily in the press and in the media. However, where we fail is the fact that we cannot and often will not learn how to support initiative, we do

not know how to translate into reality good, ground-breaking concepts and initiatives that often so popular with our young people. There is simply no one doing this as part of his or her official, routine duties. This totally unacceptable situation must be changed now.

A recent resolution adopted by the Central Committee of the Soviet Communist Party dealing with measures to improve the performance of the Komsomol [the Soviet Young Communist League] in fact calls upon all Komsomol organizations and other institutions involved in youth education and upbringing to improve matters radically in this area and without delay.

Needless to say, displaying initiative by the young takes an infinite variety of forms. Someone may decide to build a hot-air balloon, or an ultra-light aircraft. Someone else may want to restore a badly neglected historic building, or an architectural relic, or to recreate a long-forgotten folk ritual, or open a disk and video cassette rental outlet, or earn enough money to buy musical instruments for the local orchestra, or buy a kayak, or to organize a local rock music festival or hold a beauty contest or open an amateur mime theater. The list is long. There is no predicting what the imagination of a high school student or a young engineer or a young scientist may come up with. The important thing is to create a situation administratively and otherwise where any useful idea and initiative coming from young people is supported and encouraged and through a well-designed and well-managed mechanism is in fact implemented and translated into reality. As it is, there are too many obstacles, some intentional, others unintentional, in the path of innovators and enthusiasts. The story of Gennady Alferenko and his association of ballet lovers is both typical and instructive in this regard.

A geologist by training, Alferenko's true calling in life seems to be as a patron of the arts, a patron in the best, Soviet, sense of the term. A self-made man, Alferenko, before his recent move to Moscow, was founder and first president of Terpsichore, the informal association of young ballet lovers that Alferenko set up in his home town of Novosibirsk. His was a most unusual tussle with local and

Moscow bureaucrats for the survival of his brainchild. Alferenko pushed for a much greater measure of independence for himself and his associates than most onlookers and outside observers both in Novosibirsk and in Moscow thought was possible in the climate of the pre-Gorbachev and pre-perestroika "period of stagnation," as the Brezhnev era is now widely described.

Terpsichore is a non-governmental entity in which no one, not even its president [Alferenko] draws any salaries. And yet, Terpsichore has a legal status, the right of juridical person, in current Soviet legalese, and, most important of all, a bank account of its own. The vast majority of people ordinarily do nothing beyond dreaming of having a bank account but Alferenko went ahead and obtained one, a real bank account. He did so not by guile or a trick to skate around the law, but in full conformity with the law. How did he do it? Well, he simply took the trouble to read carefully the fine print of effective Soviet legislation governing the formation and operation of non-governmental public associations and he also read carefully the text of the Soviet constitution, something that few people bothered to do at the time. In it, he found what he was looking for and what most less-motivated people missed — a legal loophole which was there all the time, incidentally. Few people paid any attention to it, but Alferenko did and exploited it up to the hilt. He discovered in particular that the law did not specifically forbid the formation of public associations with bank accounts of their own. As Gorbachev has repeatedly emphasized, what the law does not specifically forbid, you are free to do.

Alferenko is a hard worker, and he really loves to work. Building his amateur ballet association was for him a labor of love, despite all he's gone through, his running battles with hostile bureaucrats and government inspectors with their humiliating suspicions. They harassed him trying to catch him out on a legal technicality in an attempt to bring the curtain down on Terpsichore, the amateur ballet lovers association. But Alferenko had not read the texts of relevant Soviet laws and the Soviet constitution for nothing, his opponents met their match in

him. But they were determined to torpedo Terpsichore by hook or by crook. When the legal attack fizzled out, Alferenko's opponents were clearly discomfited, but they changed their tactics and resorted to sabotage disguised as a quiet investigation, an illegal procedure, pure and simple. The next round of the battle began when this woman inspector arrived from Moscow, L. Vinogradskaya, a chief inspector of the Ministry of Culture. She concocted a biased and distorted account of what Alferenko and his associates had been doing, Alferenko knew nothing about it and could not counterattack. Vinogradskaya account circulated around the various departmental offices. Eventually the infamous "ministerial paper" was born, which demanded immediate closure of Terpsichore. It is clear now why other government departments took such an interest in Terpsichore and began to investigate. At one time the situation looked hopeless. But not to Alferenko, whose resilience and courage stood him in good stead. He was simply convinced that the letter of the law and the Soviet constitution would prevail in the end over the dishonesty and manipulative practices of ministerial bureaucrats and inspectors. But he had to wait five long years to enjoy the sweet

taste of victory. Yes, it took five years for Terpsichore to survive and win through in the end. Fortunately, Alferenko and his associates had friends in Novosibirsk who were in powerful enough positions to help them. Most of these people are now retired but at the time they all held important jobs at the city's party and Komsomol committees. Among them was I. Sevastyanov, former chairman of the Novosibirsk city executive committee, who defended Terpsichore and ordered a beautiful baroque mansion placed at the disposal of Alferenko and his friends. When in 1980 the mansion was threatened with closure, the first secretary of the city's party committee, S. V. Alyoshin himself arrived on the scene to intervene. One other man who defended Terpsichore displaying considerable courage was Virdimo Hasmov, the first secretary of the city's Komsomol committee. But all that these people did for Alferenko and his associates did them credit. Unfortunately, people like them are still in short supply. By no means everywhere are party and Komsomol officials willing to spring to the defense of enterprising and energetic people like Alferenko. As a result, many interesting ideas and bold projects are eventually defeated by the manipulative tactics of

unimaginative and power-greedy local bureaucrats and officials. Surely a situation where enforcement of good civic laws passed by the country's top legislature, and compliance with the law, is left to the discretion of the uncooperative and often envious bunglers from among the over-zealous local bureaucrats and administrators whose overriding concern was to suit their own convenience and interests, is completely intolerable, abnormal and must be ended without delay.

Incidentally in the early '20s, when Lenin was still alive, Soviet legislation provided for criminal liability for illegal interference by officials and administrators in the affairs of cooperative societies and voluntary public associations. It is high time that this good legislation be brought back. But the most urgent and important task in this context is to guarantee the constitutional right of all Soviet citizens, and that includes innovators like Alferenko, to challenge the legality of decisions made by local officials and administrators in a court of law. Had this been done in 1980, Alferenko and his friends would have been able to defend the honor of their Terpsichore and their own. On their own without resorting to the help of their friends in high places. Signed, V. Radov.

Foundation for Social Inventions

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Current Projects

of the Foundation for Social Inventions

Gennady Alferenko and Yuri Lepsky

(*Komsomolskaya Pravda*, May 29, 1988.)

Semester at Sea

For the first time, 20 Soviet students have a unique opportunity to go on a round-the-world voyage. If you are aged between 18 and 21 and you can speak English well, you have a good chance to circumnavigate the globe on board the *Universe*.

Your voyage will begin in the city of Vancouver, Canada, and will end at Fort Lauderdale, USA. From September 14 to December 23 you will call at Kobe (Japan), Keelung (Taiwan), Hong Kong, Penang (Malaysia), Madras (India), Alexandria (Egypt), Odessa (USSR), Istanbul (Turkey), Split (Yugoslavia), and Cadiz (Spain).

You will sail across ten seas and oceans and you will return to your hometown after saying good-bye to 500 of your new friends from the United States, Japan, and China. Together with the best students from these countries you will have an opportunity to benefit from a unique training course offered during the round-the-world "Semester At Sea".

How does one get a berth on the *Universe*? All you have to do is take part in our competition. For that you should provide the following information that

will qualify you to become a candidate member of the crew of the *Universe*.

1. Surname, first name, patronymic, date and year of birth.
2. Your university or college, department, year.
3. The extent of your command of English.
4. What problems relating to the global development of the human race do you consider to be the most important? Your suggestions as to the best methods of dealing with these problems. (Please give a detailed reply to this question and type it up).
5. Your address and phone number.

Tom and Huck Meet Again

The Tom and Huck Project is presented by Mr. Danaan Parry, Director of the Institute for Conflict Resolution, Holyearth Foundation (USA), the Foundation for Social Inventions of *Komsomolskaya Pravda*, and the Kon-tiki Sporting Tourist Club (Novosibirsk).

There is profound symbolism in the fact that the first meeting of the revived characters of the famous novel by Mark

Twain will take place on the river Ob in Siberia. Needless to say, it would be ideal to have a raft for the proposed joint rafting expedition built jointly by its' Soviet and American participants. All the more so since the Kon-tiki club members follow one cast iron rule and that is that each new generation of the club members have to build a new raft by themselves. Unfortunately, the length of the proposed rafting expedition is too short. Therefore we have agreed as follows: the Soviet participants will build a raft of their own with their own hands for their expedition down the Ob River.

For their part, their American counterparts will have to build a similar raft using our blueprints for their rafting trip down the Mississippi River in 1909. The total length of the proposed rafting expedition is around 200 kilometers. On August 15, which is a Saturday, the Soviet participants will complete their rafting trip at the village of Kozhevnikovo in Tomsk Region, Siberia. They will immediately proceed to take part in a days voluntary work to contribute the money they will earn to the Soviet Peace Foundation. What form will it take? At this stage it is hard to say. Perhaps the boys and girls will help the local farmers with a spot of hay making. There is al-

ways a lot of work to be done on the farm in the summertime as we all know. So, the local farmers will be glad to have an extra few hands to help them with the hay making.

O. Markin, President
Kon-tiki Sporting Tourist Club
Novosibirsk

The Sobriety Center

The Sobriety Center Program is presented by Jay Kanty, Co-chairman of the Soviet-American Conference to Fight Alcohol and Drug Abuse (USA), the All-Russia Voluntary Sobriety Society, the Foundation for Social Inventions of Komsomolskaya Pravda.

"We Have a Sober Idea"—so think the organizers of the first Soviet-American Sobriety Society in the Old Arbat.

Life is wonderful when we are healthy enough to enjoy it... Our health, as we all know, is our principal form of wealth. Therefore, we tend to sin against the truth a little bit when we announce that we are setting up the first non-profit joint venture. Of course we hope to earn a profit: in the form of a growing capital of human health, and that includes our own health.

Our center will be known as the Sobriety Center. But it is still a tentative name. We do not rule out the possibility that eventually we will hit upon another name, a better name, more in tune with the idea of popularizing a healthy way of life. We will do so as soon as we regain our consciousness from the most arduous, even grueling, start-up efforts.

And so, we plan to establish our Sobriety Club in the Old Arbat pedestrian mall. We would like to apologize in advance for the fact that initially we will not be able to accept all those wishing to join. For the simple reason that the space available to us at the moment is very modest to accommodate all of you. But who prevents you from setting up similar sobriety centers in your home communities and towns?

We hope that you will be able to spend a few pleasant and useful hours at our Sobriety Center whenever you have the leisure to do so. You will find at our

center a cozy little alcohol-free bar, a videotech, and computerized games and computers. You will be able to attend, electronically, the concerts of some of the world's best known celebrities such as Elizabeth Taylor, Carol Burnett, etc. You will also be able to participate in meetings and discussions conducted by Soviet and American scientists and scholars, medical experts, psychologists, and sociologists. Finally, you will be able to participate actively in one of the evenings arranged at the center: you will not be only a guest, someone who has dropped by almost by chance, you will be a full-fledged member of our club and as such you will be one of the hosts. We hope to be able in the near future when we get on our feet and become financially solid, and prove our viability, to develop at our center sporting facilities such as a tennis court, swimming pool, and a gym.

Our center will have to spend heavily on converting the space made available to us by the Moscow City Council, to equip it (most of the equipment will be provided by the American side) and to pay the center's personnel. Therefore those who would like to join our club will have to pay an admission fee (subsequently they will have to pay annual dues).

It will be difficult if not impossible to confuse members of our club with those who are not, not only because they will look youthful, elegant, and respectable (as indeed people who have chosen to pursue a healthy way of life should). But also because the center's emblem will adorn their t-shirts, summer caps, and calling cards (all these trappings of club membership will be partial compensation for the membership dues).

We hope that the center will rally together like-minded people, all those who are sufficiently resourceful and inventive, enterprising and modern-minded and sophisticated, to be able to organize his or her leisure activities without recourse to alcohol and tobacco. The term "modern and sophisticated" is used by us advisedly: with all bilateral, Soviet-American responsibility, we declare that drinking and smoking in today's civilized society is definitely "out" while to be healthy is certainly "in".

So, if you want to stay healthy and

you appreciate interesting company, welcome to our center. Next year a similar sobriety center will open in Washington D.C.. We hope that the geographical distribution of sobriety centers will keep expanding and that other countries will follow the example of the United States and the Soviet Union in this regard.

We would like to express our appreciation and gratitude to all those who have helped us: The Special Commission of the Central Committee of the Komsomol to Combat Lawbreaking, Alcohol and Drug Abuse, The Moscow City Council, The Ail-Russia Voluntary Sobriety Society, the Kiev District Executive Committee of the city of Moscow, the Elin Cooperative, and other organizations who have supported our idea.

To all those who would like to contribute financially to our project, we guarantee complimentary guest tickets that will enable them to visit the first Soviet-American sobriety center.

O. Dmitriava and A. Drozdov

The Debt Program

A big thank you to all of our readers who have sent in their money for the Foundation for Social Inventions to finance the construction of the proposed Center for the Physical and Social Rehabilitation of soldiers who were injured and crippled in Afghanistan, to all those who have supported verbally and financially the idea of Alexander Starikov, a fitter from the city of Riga. Readers' letters and money orders continue to roll in. Today we print a brief sampling of the recent mail.

A Letter

I have read in *Komsomolskaya Pravda* an article about the construction of the proposed center for the rehabilitation for soldier-internationalists who have been injured or crippled, and also for veterans of the Great Patriotic War. I support this good project wholeheartedly. I have been in Afghanistan for three years now. Not all of my fellow soldiers have been able to return home, and those

who have suffer from ill health. My good friend, Andrei Makarenko, guards warrant officer, has had the misfortune of being blown up on a mine twice: the first time when he was in combat and the second time when he was evacuated. He had his third "rebirth" on the day that the helicopter that was carrying a group of wounded soldiers fell out of the sky without reaching base. Andre had a narrow escape, he survived a series of extremely difficult operations. At the moment he attends a medical college in the city of Rostov, where he is undergoing training as a medical doctor. Andrei is determined to help people overcome suffering and pain, something that he knows only too well. People like Andrei deserve our loving care and attention. Guys like him deserve to have the proposed rehabilitation center built for them. We are all in his debt.

Take for instance the problem of artificial limbs. Even the best of the Soviet-made artificial limbs are standard compared to comparable types in other countries. Andrei Makarenko, who used artificial limbs made for him in Tashkent, had to modify them, because, as he put it, the limbs he was given in Tashkent were not exactly suitable for normal life, to put it mildly. But how about other guys who do not have Andre's ability to work with his hands and who do not even have hands to work with? I think that among the problems that the planned rehabilitation center will be dealing with should be the problem of providing suitable artificial limbs to crippled soldiers.

One other thing. I propose that the planned rehabilitation center should cater not only to soldiers who have fought in Afghanistan, but also to veterans of the last war, and also members of the families of soldiers who were killed in Afghanistan, who may need medical treatment.

We, my fellow paratroopers and I, who are still in Afghanistan doing our military duty away from home, decided at a recent Komsomol meeting to contribute part of our wages towards the construction of the proposed rehabilitation center. Personally I have decided to contribute 100 rubles of my money towards this much-needed, good and just project.

V. Belous, Secretary
of the Komsomol Branch of a Battalion

Official Reply

Dear editors!

The Komsomol Committee of the City of Yurmala, the Central Committee of the Komsomol of Latvia are fully supportive of Starikov's idea published in Komsomolskaya Pravda on January 24, 1988 about the construction on the shore of the Gulf of Riga of a rehabilitation center for soldiers doing their internationalist duty in Afghanistan.

We request that the Foundation for Social Inventions should without delay find a suitable contractor with full powers to decide on the suitable site and timetable for the completion of the project.

The Central Committee of Latvia's Komsomol, the Komsomol Committee of the City of Yurmala, hereby undertake to place the convalescing soldiers returning from Afghanistan under their patronage and to give them their care and attention together with the members of the councils of young reservists from the city and district Komsomol organizations of the Republic of Latvia.

I. Prieditis,
First Secretary, Central Committee
of the Komsomol of Latvia

The Ministry of Public Health of the USSR has examined materials relating to the proposed rehabilitation center published in Komsomolskaya Pravda on January 24, 1988 and believes that the construction of rehabilitation centers for soldiers returning from the Republic of Afghanistan has been long overdue.

Therefore, the Ministry of Public Health of the USSR hereby goes on record as committing itself to the organization and provision of medical services at the proposed rehabilitation centers and to act as their co-sponsor.

The Ministry has prepared and sent relevant proposals in this regard to the State Committee for Labor of the USSR, to the Central Committee of the Soviet Trade Unions, and to the Central Committee of the Komsomol.

A. M. Moskvichev,
Deputy Minister

Support for the Debt program has also come from the First Deputy Chairman of the Council of Ministers of the USSR, N. V. Talyzin. Relevant instructions have been issued to the State Committee for Labor of the USSR, to Gosplan of the USSR, to the Ministry of Finance of the USSR and the Ministry of Public Health of the USSR.

We believe the time has come for specific concrete proposals as to what the center for the physical and social rehabilitation of injured and crippled soldiers returning from Afghanistan should be like. We expect to receive interesting architectural concepts and designs, we also expect interesting ideas for activities to be maintained at the proposed center to be worked out by sociologists, psychologists, and health workers. It would be a good idea if these proposals and concepts were worked out on a competitive basis.

Round The World Voyage

In 1978, soon after I turned 20, I came aboard the Universe to set out on a 100-day round-the-world voyage starting in Los Angeles.

For three and a half months, I lived, studied, and traveled together with 500 other students from different universities from all over the United States. We circumnavigated the globe on our floating university. I began this voyage as an ordinary American with a rather limited, narrow-minded outlook on other peoples, countries, and global problems, but I returned as a citizen of the world, with a global outlook on the development of civilization. I embraced with my consciousness the whole of our small home planet Earth.

During that memorable voyage, as part of the "Semester At Sea" Program, our ship sailed across seven seas and oceans and called at ports in 10 different countries. Comparing my new experience and the years I had spent in conventional education institutions on dry land, I discovered that the voyage was a

much better teacher. What was it that struck me most of all? During that voyage I met my neighbors in the global community, I smiled and laughed with my new friends. But most important of all, I discovered myself, I discovered a new potential and new abilities to learn new things. And I asked myself: but why are only American students sailing aboard the Universe? Why not invite students from other countries? And I began to develop a new program as a forum for the study of common global problems. I saw the Universe sailing across the globe as a floating university of peace where students from different countries would be free to select lecture courses of their choice under the "Semester At Sea" Program in areas such as anthropology, oceanography, international economics, literature, history, the theater, you name it.

The idea of a round-the-world voyage is simple and at the same time ambitious: to invite the best students from different cultures from around the globe to participate in an educational program aboard a ship that sails round the globe.

And so coming together aboard the UNIVERSE in the fall will be 500 students from the USSR, China, Japan, and the United States. The ship is safe and well-equipped, complete with classrooms, libraries, and computer labs. In short the students will find the ship not only a stimulating and interesting environment in which to study, but also fun to live on and interact with one another as good friends.

Kirk Bergstrom
Los Angeles, California (USA)

Some Letters from Donors

We pupils of the 4th grade contribute 10 rubles of our money to the DEBT program. We have earned this money ourselves. We grow onions.

Pupils of School No. 14,
Komsomolsk-on-Amur

I want to contribute my share to the flow of human kindness. I wish you good health, guys.

Sergei Petrishev, Sergeant First Class.
Moscow Region

Our family has decided to contribute what we can to this noble project.

F. M. Ponomareva
Nabereshni Chelni

We would like to participate in the noble project of supporting soldiers coming home from Afghanistan. We wish them speedy recovery and safe return home.

L. E. Tolstikh and grandson,
Aloysya Tsimbal, Moscow

I'm contributing my monthly retirement pension. This is my small contribution to this great project for all of us.

N. Savina, an invalid
Pskov

My father was gravely wounded during the war around Leningrad and he had a hard time. I would like to see good people to do everything they can for our soldiers returning from Afghanistan.

Sherbakova, Voroshilovgrad

The personnel of Kindergarten No. 5 have held a solidarity fair together with the parents of kids. We are contributing 210 rubles towards this noble and sacred project. Please lose no time in building the proposed rehabilitation center.

Vorkuta

We are sending our contribution on behalf of the workers and employees of our enterprise towards the construction of the rehabilitation center for soldiers fighting in Afghanistan. In keeping with the tradition of soldier brotherhood we are contributing what we can to this much needed project. We see it as our duty to contribute to the DEBT program.

Soldiers of a Guard Element

Financial Report

To date the Foundation for Social Inventions has received a total of 534,755 rubles, 22 kopeks from Komsomolskaya Pravda readers towards the financial support of the projects published in our newspaper at your initiative. In particular:

The Debt project:
323,705 rubles, 11 kopeks
The Children's Home in Zagorski:
79,585 rubles, 04 kopeks
Fans Account:
39,992 rubles, 89 kopeks
The Goods for Young People Firm:
1,905 rubles
Monument to the Heroes of Chernobyl:
54,663 rubles, 84 kopeks
The Samantha Project:
6,822 rubles, 98 kopeks
Bogatiri Project:
20,938 rubles
Soviet-American Alcohol-Free Center:
359 rubles, 29 kopeks
Other projects not yet presented in our newspaper have received:
6,783 rubles, 07 kopeks

A reminder: voluntary financial contributions and donations from individual Soviet citizens and organizations are to be sent to this address:

103051 Moscow, the Sverdlovsk Department of the Moscow City Administration of Zhilsoz Bank, USSR, The Foundation for Social Inventions, Account No. 700344. Please indicate the name of the project of your choice. Thank you.

[Donors in the United States may send donations for FSI projects to Washington Research Institute / FSI, Attention Priscilla H. Couler, 3220 Sacramento Street, San Francisco, CA 94115. Telephone (415) 931-2593 or (415) 383-7977.]

Foundation for Social Inventions

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The Forum for Social Inventors

[*Komsomolskaya Pravda*, December 22–25, 1988. Translations by Tanya Khotin]

December 22, 1988

Fund 708 for Social Inventions

Today, in Moscow, was the first day of the Forum for Soviet Inventors. The membership is unusual; never before have creators of unique social projects gathered for their own conference.

What I am bringing to the Forum

Self-government, self-financing... These wonderful words, which protect and heal Life itself, have entered our daily life. Enterprising and independent people, tired of merely their own enthusiasm, often ask themselves the same key question: "How can you self-finance and self-govern" so that it won't be for the last time? Meanwhile, the powers that be have joined together, cunningly taking advantage of our initial problems and the apathy of the general public in order to stand in the way of our progressive action.

How can people with good goals and intentions survive in this situation?

It is well known that a revolutionary army forms only in the course of revolutionary activity. There is no alternative. However, people still ask, "Where are the legal rights for revolutionary actions?"

I read in the Foundation of Civil Law that civil rights should arise "from actions of citizens and organizations, who, although previously not considered lawful, initiate civil rights and obligations for our common goals and the essence of civil law."

However, the legal basis for direct

revolutionary actions that protect our honor and dignity has been forgotten. It is sad that active free expression was suppressed by the thick net of departmental and inter-departmental acts and instructions. Protective measures by anonymous law-makers, prohibiting "everything and everyone", have led to extinction of the spirit of enterprise and creativity, and also to adopting the "permission system." These "protective measures" are exactly what defeats many of us, individually. Because of having inhaled the poison of prohibition from childhood, we automatically wonder whenever we think of a brilliant, new idea, "Where can we obtain permission?"

Try to establish a copy machine in an office of a new inventive company. We have all gotten used to this—in order to distribute ideas and information, we must obtain permission. The organized team of "permission-givers" always includes a doctor, a fireman, and a militia-man. And I won't even mention the other levels of authority.

Even in the era of *glasnost*, a modest amateur group of long-needle knitters can only be created with permission of an intermediary organization.

Involvement of average citizens has not been taken into consideration.

Without new information technology, our ink pens will remain the shining example of our deafening "break into the future". Without broad freedom to unite into unofficial amateur associations, we will never be a civil society.

The prohibiting psychology constrains us at every step. All unsolved problems get swept under the rug; the other "sweepers" find an efficient way to

strengthen a system which not only discourages the intellect, but leads, as the elders used to say, to a "rotting of morality."

I, for example, needed eighteen years in order to create (and protect from the administrative machine of the Novosibirsk authorities) a harmless choreography society, called "Terpsikhora". The central [Moscow] "sweepers" had threatened local authorities: "We will not allow substituting culture organizations!" (unofficial for official)

Three years went by before the Novosibirsk Fund for Youth Initiative was up and active.

Today, the number of funds and centers for youth initiatives exceeds 100—centers for youth initiatives turned out to be a necessity of life.

During the infamous April period, I shared with millions of TV viewers the idea of creating an all-union system of supporting social inventions or inventors of new ideas and projects; I talked about new conceptions of protecting [patenting] intellectual ownership in our country. The authorities took the show off the air, never to air again. Higher responsible persons decided among themselves that all social inventions were achieved in 1917. And that was enough.

Thanks to *Komsomolskaya pravda*, the Fund for Social Inventions was created. Its 708 bank account now has 5 million rubles. That is how our readers voted for the Fund without prior permission.

There were many fears. With whom was this checked? Who did we ask?

I remember Lenin's thought that when something new is first born, the old will

remain stronger for some time. It has always been so in nature and in civilized society. It is important, therefore, to seize that period of time and to create a system to support new ideas, a system that would not allow the new, small beginnings to die.

When a support system exists, the sleepy public (made up of potential enthusiasts-innovators) suddenly awakens; millions of people begin to strive for greater results, rather than only a handful of super-persons. We will not receive support from above; it can only be established in the course of collaborative work by the innovators themselves.

Having faith in such collaboration, I am going to work today on the Forum of Social Inventors.

—Gennady Alferenko, special correspondent to *Komsomolskaya pravda*

A Hundred Ideas—For People

Yesterday, we announced that a press-center will be created with the Forum of Social Inventors. Unfortunately, we did not have an opportunity to interview the workers: the press-center turned out to be the focal point, a real gravitational center for a huge number of ideas that people have accumulated over several generations. The people who work here are forced to listen, convince, argue, take notes, and again, listen...Judging from the hopelessness of competing for attention with social inventors, we proposed to the workers of the press-center to cover for them.

"For how long?" they happily cried out. We looked around, evaluated our own capabilities and endurance, and promised: we can hold out for an hour and half.

In general, the process of talking with inventors has been carefully thought out and appears fairly simple. A person comes in, he is handed a questionnaire—his name, address, idea's essence, brief description, stage of progress...Then the cooperative Evrika inputs the data into a computer's All-Union Bank of Ideas and Projects. However, the bureaucracy experts—and inventors, needless to say, are experts—do not have any respect for the authority of paper. It often happens that an inventor, in horror, takes his hand away from the piece of paper and practically sits on our ear, talking about his idea for a long and

grueling time, as if he were talking to a high school flunkie unwilling to learn.

"What is a political party?" asks a man of short stature, carefully looking us up and down and evaluating how prepared journalists are for that question. "At my enterprise, not a single member of our party committee could explain it to me at the party committee meeting."

"And you explained it to them?"

"Yes! I have a conception of society's development which can help people live differently. At least half of the members of the party committee made the decision in favor for it after our discussion."

Inventor Mikhail Dorvolosky is prepared to foretell the future. Unfortunately, a futurologist is a little known field of specialization. Mikhail is ready to give his prognosis of development on any, although limited, area of problems.

"For example?" we asked.

"In Vladivostok, I tried to tell them the future course of events on several islands in Kurilsk."

"What was the fate of your prognosis?"

"Unfortunately, we were politely told to renounce similar prognoses..."

"How can I get to the Forum?" calls a Moscow construction worker, manager of the enterprise.

"Do you have an original idea?"

"I have an idea, but I would first like to talk with the inventors who were successful at getting their ideas through. At work, *perestroika* isn't going anywhere. The trust is trying to become self-financing, but the head director is getting in the way. The workers are not happy. If these problems are not solved now, all our plans will be ruined. We are building residence homes. Who will do the construction work if people won't profit anymore from working with us? So I started thinking: where can we find the strength to break the bureaucratic machine?"

"Aleksandr Starikov, from Riga. They won't allow me to come to the Forum! They say that if I take off independently, it will be an excused absence from work. I am asking you to get in touch with the

Ministry of Construction Material Industry. They would have to let me go if I was invited by the Fund for Social Inventions of *Komsomolskaya pravda*..."

History textbook...So many arguments on this topic recently! By whom and how should it be written? The 26 year-old Radik Semenov believes that he has an answer to this question. Together with the higher research scholars of the Research Institute, PhDs A. Bliudin and V. Cherednichenko, he suggests computerizing the humanities and liberal arts. What is the essence of the idea? All leading scientists and specialists in some science or another put their knowledge into a special computer program. Some scientific works are also put into the computer, those of scholars who truly contributed to the development of their science and lived anywhere from the years B.C. to our time.

The hour and a half flew by without our noticing. Twenty three inventors called the press-center by phone, another nine came by. This work is enviable.

Directors, Unite!

Komsomolskaya pravda carefully follows the Association of Young Enterprise Leaders. Each day, the organizational committee of the initiative group receives letters. They arrive from directors, chairmen of cooperatives, workers and engineers, scholars, young communist league workers, college students, and even high school students...

"As much as I would like, I cannot consider myself among the young—I am 53 years old. But I like the idea of the Association. It is a good thing. But why must it only unite young leaders? The experience of the "old" is also useful. The years of stagnation cost us dearly, and we would very much like to participate in the Association.

It can bring so much good, good we can only dream of today. We could build a special school for the Association, especially for leadership training. Enterprises will be able to recruit their future directors from the school. The school could "sell" its graduates, providing them with objective recommendation letters."

—V. Kvitko, cooperative chairman, Leningrad

"I am convinced that the Association is necessary. An enterprise leader in any area is a difficult job; moreover, this is *perestroika*. As only a beginning leader, I need support."

—A. Nikonenko, co-chairman of a union of diners, Zaporozheskaia oblast

"The Association has to teach, support, help, and protect. We need to be straightforward in saying that we practically have no instruction for leaders. Everything comes down to "benefiting from experience of elders." But what if there are no good examples around you to follow? In that case, a young leader could never fully realize himself."

—A. Baitler, director of a technical repair enterprise, Omskaia oblast

"Even if the organizing committee would invite me to participate in the conference, I have no certainty that the authorities at my work will let me go. The invitation will remain in their hands. That is also one of the ways to fight against people collaborating."

—V. Glotov, head of the tram depo, Naberezhnye Chelny

"I am not a factory director; I am not in any way related to industry. But your article in *Komsomolskaya pravda* inspired me to write to you. I believe that associations such as yours will play the key role in democratization."

—A. Makhlaev, student, Moscow region

"I, personally, got myself a director's position. I moved from Moscow to be a part of a provincial industry that is lagging behind. During the first year, I received approximately ten complaints about my work and the Ministry of Forest Industry attempted to get me out of the job. At present, the factory is stabilizing its work, but it has been in a struggle for independence with the Ministry of Forest Industry for nine months now. We need the Association."

—P. Mirau, director of a factory, Vologodskaya oblast

Letters were prepared by V. Kudriashov, instructor at the Central Committee of the Young Communist League.

Attention! Additional information

about the organizational committee of the Association of Young Leaders:

Scientific coordination of the committee is managed by G. Popov, professor, head of the department at Moscow State University, chief editor of the journal *Voprosy ekonomiki* [Questions of Economics].

If you would like to help: funds to support the Association enter the manager's account #700407 of the Central Committee of the Young Communist League, government budget directors of the Gosbank [state bank] of the USSR (attn: "Association of Young Leaders").

Food for thought: Decisions about nominal financing for the Association were accepted by ten large centers of the NTTM.

The constituent assembly will take place in the second half of January, 1989.

For more information, call these numbers: 206-80-54, 206-80-30.

Due to many requests, we are reprinting the clip-out questionnaire to participate in the constituent assembly of the Association.

1. What knowledge, experience, or contacts do you need in your activity?
2. Do you believe that unions or associations for business leaders are necessary? Why?
3. How could the Association help your work?

Please give your full name and age
Major or field of specialization in college
Title and place of work
Full name and address of your business

Come With Your Ideas

December 23, 1988

Yesterday in Moscow, the Forum for Social Innovators of the USSR began...

Social inventors and innovators is a great and nearly always an unhappy tribe of energetic people. What can you do? But, suddenly it seems that these December days will become a point of departure for a new epoch—an epoch when bulldozers won't ride over new grass.

The press conference on the eve of the Forum showed that it is of great interest to the public. In any case, there were no

available seats in the rather large hall of the Center House of Tourists. Even reporters from Ethiopia asked questions...

The real sensation was people from Finland who came to visit their colleagues, Soviet innovators. Let us introduce them: Ilkka Ronkainen, director-distributor of the FinnIdea company, and workers of the same firm, Hellin Arto and Salo Kari. We ask Ronkainen, "What brought you to Moscow?"

"We know that the Soviet Union has many talented people. Our goal is to help innovators realize their ideas on the basis of a joint venture. The FinnIdea firm helps innovators find contacts."

"Does your firm have direct relations with the Forum?"

"Yes! We already have agreements with the Fund for Social Inventions of *Komsomolskaya pravda* about collaboration and a social prize for the best Soviet innovative idea of this year."

The press conference has ended. The journalists were told that, so far, 174 delegates from 46 cities have come to Moscow. Meanwhile there was an unexpected meeting in the foyer. What is the chief director of the Lenin Young Communist League Theatre doing here?

"Today, politics and economics," answers M. Zakharov, "is the business of people of various different fields. We have a great many problems, and we must seek the solutions together, not only professional economists, scholars, and politicians, but activists in culture as well."

Our old friend, Pavel Zaidudin, recently came back from the US, where he signed a contract about joint development of residential construction under extreme conditions. From the American side, the participating states are Minnesota, Alaska, and Arizona; from the Soviet side, there is Siberia and the Far East.

What is the purpose of this Forum? To talk everything out? To discuss your own idea and try it out on other inventors? The president of the inter-regional Cooperative Federation, a political organizer of the Bukharin Club from Naberezhnye Chelny, Valerii Pisigin, is here to discuss the possibility of the Young Komsomol League joining the sponsors of the Federation. The Federation considers itself to be a political power which has been called upon to protect the cooperative move-

ment, the leading form of socialist ownership. It unites more than six thousand cooperatives from thirty-five cities.

The Forum opened with reports by well-known economists and publicists G. Popov, N. Shmelyov, and Iu. Chemichenko... They put forth a paradoxical thesis: "The first social inventions, of which we are so proud, are actually merely 'discovering America.'"

"We are slowly discovering things that the world around us has known for a hundred years already," says Nikolai Shmelyov. "What kind of invention is the cooperative movement, for example? These 'new inventions' are normal laws of market farming, the only true road for our economy to follow."

Iurii Chemichenko says, "During the years that I spent at the drawing desk, we spent thousands of millions of dollars that we received for oil. The greatest part went for food products. This horrible exchange of non-reusable resources for reusable ones..."

The Forum, called together on the initiative of *Komsomolskaya pravda's* Fund for Social Inventions is continuing its work.

Truth Is Born Out of Argument

December 24, 1988

Today, in Moscow, the Forum for Social Inventors of the USSR is coming to a close.

How I love human faces when they express light and truth!" The poet's words were remembered yesterday at the Central Chess Club, where participants of the Forum gathered from all corners of the country. It is true that the strength of any nation is determined neither by natural resources nor even by industrial technology.

That is why the door with the sign "Sociology" conceals discussions on the topic of education. In fact, two other work groups at the Forum, "Economics" and "Politics", discussed childhood, school, and teaching a great deal.

Noting down the reports of pedagogical innovators on their ideas and achievements, you catch yourself think-

ing, "If only somebody could get them all together in one place, under one roof, or at least in one city, then one would witness the wonder of how quickly and harmlessly one can learn a second language, a course in mathematics, and do away with medicine forever..." But here is the rub—probably no mayor has yet been born who would bother about getting all these strange, high-strung, and sometimes rude people housed. But why talk about a mayor! Would at least science put in a good word for them? But the inflexible machine of the Academy of Pedagogical Sciences of the USSR has long ago gotten behind; obviously, the speed is not for it. The participants of the Forum, even those far from the area of education, asked us, journalists, with alarm in their voices, "What do you know about the fate of VNIK [All-union scientific-research collective]?"

The temporary scientific-research collective [VNIK], created several months ago, showed how important and needed scientists are today. They work sixteen hours a day, their regime similar to brainstorming. About five people began the business, and then a greater nucleus surrounded them, capable of doing something society has been waiting for and has never gotten from several academic institutes. And now VNIK is at a crossroads. Officially, the deadline for its losing full legal rights is coming up. Does that mean that they will have to return to their permanent jobs where everything is as before? A suggestion came from the hall: what if VNIK "took into their team" a nonprofit scientific institute and showed how you can organize your work in the modern way? We must get busy solving economic problems of the schools immediately. And if the Academy of Pedagogical Sciences still does not allow an alternative scientific institute working parallel to it (i.e. willingly part with their monopolistic position), then what can we do? The "auction" began. The leading speaker turned to the participants of the Forum, including serious bankers and cooperative workers "Who is prepared to invest some capital in order to keep the brilliant group of people doing their work?" We cannot say that propositions from the audience started falling like rain, but the city of Nakhodka said that it will think

about it, the city of Baku raised some hands for support, and the miners promised to do something too...

The next door had "Politics" written on it in a hurried hand. The sign meant that the group in the room were people who wanted to improve something in the political life of society. What are they arguing about? Of course, the discussions are about whether an alternative to the single-party system should exist in the USSR, and about the directions of the political struggle against bureaucrats and bureaucratism.

After a small break for lunch, discussions in the political club of the Forum ignited with new strength—we could hear discussions about an alternative project to a new law on the Soviet press. A special commission of the Union of Journalists of the USSR had already approved it. What is most interesting about this project? The word goes now to the creator of this project, Mikhail Fyodotov, JD: "We are striving to create a precise jurisdiction mechanism on publication activity instead of declarative rights and obligations active today. We came to the conclusion that the rights of journalists to information end where governmental or other rights which are specifically intended to protect secrecy by law, begin. Hiding any other information is an illegal act, and the journalists can obtain it through court. The project proposes ways to check press activity corresponding to a lawful government."

Valerii Pisigin, from the political working group of the Forum, caught us as we were leaving. Or, rather, it was not us he wanted, but the writer, Iurii Chemichenko, leader of the economics working group and head of the Business club. We had "stolen away" Chemichenko from the meetings with great labor for a brief interview. Valerii was disgusted—how could they separate the political working group from the economics group! It turned out that "politicians" talked about economics and "economists" talked about politics.

Really, what is cooperation? Team effort? Collective ownership? If it isn't politics, then what is? A delegate of the Forum, Mikhail Dmitrievich Bocharov, freed war veterans from income tax and rent. He also freed veterans of labor, who

work in the most difficult manual labor jobs, such as brick layers. Is that not politics? Bocharov was very excited to talk about the team effort law, which shows that team workers are powerless against any bureaucrat. "Do we really need those publications which pin the loud 'Help needed' label on us? Why, if a factory pays for the team, and some factory or ministry head has to determine how much we will get paid?"

Iu. Chemichenko said, "Correct. Serfdom in economics has not ceased. Having crossed the line to the team effort workers, we have just gone from barter tax to a tax paid by a peasant to the state for the use of land allotted to him."

M. Bocharov, "Let's call things by their proper names. The problems of the team effort are problems of ownership. Let's first separate them: large ownership is railroads, Aeroflot, heavy industry—all governmental. The smaller is collective. And then everything will fall in its own place."

The main goal of the Forum was determined yesterday: based on the results of the work, determining the main problems of the innovators, developing a resolution, and turning to the government with it. That is the concrete political goal.

Courage, Inventors, in Step!

December 25, 1988

Yesterday, the Forum for Social Inventors completed its work. Actually, no—the work has just begun...

Hurrah for electronic technology! Life would be very difficult without it. Yet, with it, each day can bring us a new load of "pamphlets" printed out by the sweat of the brow of the Forum participants.

This was the deal of an epoch—even without months' preparation, an "electronic stock market" was born, connecting Idea-men with Money-men. If that stock market had been the only product of the Forum, we would still consider the entire effort a success. However, the main thing, it seems, is that the Forum provided a rough sketch of a truly democratic model for meetings. Democracy is when people gather and solve problems together. People do not only move their hands, but their

minds as well, formulating and establishing a strategy for the fight, the battle. We have not been spoiled by an overabundance of such democratic meetings—in the past, our meetings were either performances based on a strict script, or chaos, where everyone yells out his own idea...

The Forum had every chance to turn into a loud demonstration. A great many of its participants have suffered in the struggle with bureaucrats; consequently they had something to yell about. However, it is not said for nothing that humanity is divided into two categories: those who sit down and cry when standing at the edge of a ravine, and those who begin to look around to see if there is, perhaps, a tree which can serve as a bridge, or if they can find another way to get to the other side. The general tone of discussions at the Forum was constructive.

Yesterday, the representative of the Italian company Imago, professor Umberto Solimene, handed the photography prize to Igor Kostin for the films Kostin had made at Chernobyl in the first hours after the catastrophe. Today, Solimene left the meeting hall in a great mood. The atmosphere had affected him...

Umberto Solimene shared his plans for collaborative projects with the Forum and tried to convince us, his listeners, as if he were a rhetorical speaker. "I have lived for almost ten years in the Soviet Union, and honestly speaking, I know very well what immense intellectual, moral, and physical reserves you, Russians have. The future holds this much for Russia..."—and he smiled, spreading his hands widely. "We are especially interested in the development of your cooperatives. They are a completely unique business form, and it is interesting to compare them with Italian companies. What is amazing is how entrepreneurial Russians are. In the West, it has often been said that you have lost the ability for commercial work and your business initiative thinking skills which help us, in the West, to achieve commercial success. But that is not so! Our company would love to collaborate with the Fund for Social Inventors."

It is symbolic that the participants of the Forum held their plenary sessions in the halls of the Central Chess Club of the USSR. Chess players look many turns ahead. And the innovators, like masters of

sport, have marked out their future "turns" as well. The Rules and Regulations of the Fund for Social Inventors of the USSR accepted the establishment that reads as follows, "General director of the cooperative organization Soyuz [Union] and one of the organizers of the country's first cooperative banks, L. Solomin, believes that in the near future, the Fund will need to create a system of banks for the following: financing and bringing to life innovative ideas; organizing a school for managers-inventors; creating an informational agency with its own publication; introducing an All-Union Bank of Inventions (with the guarantee that not a single idea will be left without attention)." All delegates of the Forum agreed with this.

Until today, the Forum has discovered and supported unknown social inventors. How can we, for example, *not* support Iu. Smirnov of the military-patriotic club Iskatel [Seeker]? Iuri told us about what he and his friends are doing. "We are looking for soldiers who have disappeared without a trace in World War II. We are trying to find their names, tell their relatives the date of their death, and find the exact place of their burial."

And director of a Public Economic Center Aleksandr Egorov's heart feels for the fate of the Moscow river. His Center plans to take this river under public control.

And what else did the delegates from twenty-five central, republic, and regional newspapers and Gosteleradio decide in the three days of the conference? A Bank of Risk and Trust was created within the framework of the Fund. The first donation was twenty thousand rubles from the Minister of Light Industry of Moldavia, S. Manukian, initiator of the experiment "Self-financing ministry."

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Fund 708 for Social Inventors