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REPORT
ON THE INUVIALUIT REGIONAL CORPORATION'S
VISIT TO THE
CHUKOTKA AUTONOMOUS (OKRUG) DISTRICT,
RUSSIAN FEDERATION
JANUARY 15-17, 1993

Circumpolar and Scientific Affairs

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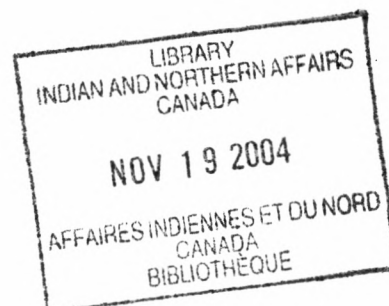
CIRCUMPOLAR LIAISON DIRECTORATE
PUBLICATION SERIES

93-08

by

WALTER SLIPCHENKO

DECEMBER/DÉCEMBRE
1993



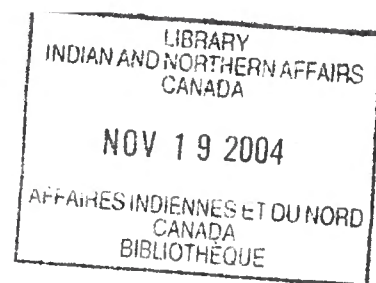


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FOREWORD

The signing of the Canada-Russia Agreement on Co-operation in the Arctic and the North, in June 1992, established a new framework for Canadian-Russian northern bilateral co-operation. In general terms, the new framework for co-operation reflects the economic, political and social evolution in Russia, as well as the political developments which have taken place in the Canadian North.

The current political and socio-economic reality in Russia has created a new environment for co-operation. This will entail a more significant involvement of northern regions in co-operation activities, and a more direct access to Russia's northern regions, the local authorities and the people, including Aboriginals. It will also increase the possibilities to engage in new areas and forms of co-operation, particularly with regard to traditional Aboriginal occupations. Finally, it will help to foster better conditions for Canadian business to avail themselves of economic opportunities in northern Russia.

Under the Agreement, while building on past activities, both countries have committed to pursue as priorities the development of economic relations between the northern regions of Canada and Russia, as well as the fostering of direct contacts between local and regional governments, and Aboriginal peoples.

It is within this new framework for bilateral co-operation that a 10-member delegation of the Inuvialuit Regional Corporation (IRC), led by its President, Mr. Roger Gruben, travelled to the Chukotka Autonomous (Okrug) District, Russia, in January 1993. The delegation was hosted by Mr. Vladimir Etylen, Chairman of the Deputies' Council of the Chukotka Autonomous District. At the conclusion of the visit, Messrs. Gruben and Etylen signed a Memorandum of Understanding (MOU) to promote and explore co-operation in such areas as reindeer meat processing, harvesting and export, oil and gas development, and educational and cultural exchanges.

The following report highlights the IRC trip to the Chukotka Region. The publication of this document is important with respect to the new framework for northern bilateral co-operation between Canada and Russia. The report provides insight into the vast possibilities for Aboriginal regional authorities to pursue co-operation activities in such areas as, economic development and socio-cultural exchanges between the Canadian and Russian northern regions.

This report was prepared by Mr. Walter Slipchenko who participated in the exchange as a member of the IRC delegation.

Harald W. Finkler
Director
Circumpolar Liaison Directorate

TRANSLITERATION TABLE

Russian	English rendering	Russian	English rendering
Аа	a	Рр	r
Бб	b	Сс	s
Вв	v	Тт	t
Гг	g	Уу	u (pronounced oo)
Дд	d	Фф	f
Ее	e ("ye" at the beginning of a word and following a vowel)	Хх	kh
Ёё	yo (short o)	Цц	ts
Жж	zh	Чч	ch
Зз	z	Шш	sh
Ии	i	Щщ	shch
Йй	j	Ъъ	" (hard sign, not pronounced)
Кк	k	Ыы	y
Лл	l	Ьь	' (soft sign)
Мм	m	Ээ	é
Нн	n	Юю	yu
Оо	o	Яя	ya
Пп	p		

1. INTRODUCTION

1.1 Purpose of the Visit

There have been significant political and economic changes in the former Soviet Union and specifically in the Russian Federation's Arctic and northern territories. Although since 1984 there have been exchanges on a federal and territorial level, the general feeling, in both Canada and Russia, was that it was time for exchanges to develop regionally. As a result, an active exchange between the Chukotka Autonomous Okrug (CAO), a region inhabited by the Yuit (Inuit) and other Aboriginal peoples, and the Inuvialuit Regional Corporation (IRC) was seen as being mutually beneficial to both regions.¹ (See Section 2 for background information).

The main purpose of the visit was to evaluate specific commercial possibilities and ventures, and to promote cultural and educational exchanges between both regions (the IRC and the CAO). This visit was endorsed and partly supported financially by the Government of the Northwest Territories (GNWT), the Canadian Aboriginal Economic Development Strategy (CAEDS) and the Department of Indian Affairs and Northern Development (DIAND).

1.2 The Inuvialuit Regional Corporation (IRC) Delegation

The delegation was led by Roger Gruben, Chairman of the IRC, and included:

- Gilbert Thrasher, Director, IRC;
- Vince Teddy, Director, IRC;
- Catherine Cockney, Social Program Director, IRC;
- James Rogers, Legal Counsel, IRC;
- Tom Beaudouin, Advisor, Umayot Corporation;
- Peggy Jay, Marketing Coordinator, IRC and Trip's Logistics Coordinator;
- Natalie Novik, Interpreter and organizer for programme in Chukotka;

¹ For years, the "official" Russian name for the Eskimo population in Russia has been "Eskimosy". The Eskimos of the Chukotka Region, however, have increasingly come to refer to themselves as "Yuit" ("Yupik" in the singular form). For the purposes of this report, "Yuit"/"Yupik" will be used in reference to the Eskimos of Chukotka.

- Miro Cernetig, Reporter, The Globe and Mail; and
- Walter Slipchenko, representative for the GNWT and DIAND.

1.3 Format of the Report

This report is divided into the following sections: introduction, background to the visit, visit to Chukotka, memorandum of understanding which was signed, draft agreement document presented to the GNWT and a summary and conclusions.

2. BACKGROUND TO THE VISIT

2.1 General

The exchange between the IRC and the CAO dates back to the Canada-USSR Arctic Science Exchange Programme which was signed in 1984. The origin, however, can be traced to 1971 with the visit to the USSR of the Honourable Jean Chrétien, then Minister of Indian Affairs and Northern Development who was accompanied by S.M. Hodgson, Commissioner of the Northwest Territories. Under this Programme, there were a number of exchanges initiated under two themes which were chaired by the GNWT: Theme III, "Northern Construction", chaired by Mr. Larry Elkin; and Theme IV, "Ethnography and Education", chaired by Mr. Joe Handley. (In 1989 Theme IV became the Third Sub-Commission under the Canada-USSR Agreement on Co-operation in the Arctic and the North, and resulted in a number of Russian visits to the Western Arctic). It was under one specific activity of the Third Sub-Commission, Topic 2, dealing with social changes of northern Aboriginal peoples, which brought both regions together.

Under this topic a programme of exchanges was signed in 1990 by the Canadian and Soviet project leaders. The project leader for the Canadian side was Harald Finkler, Director of the Circumpolar Liaison Directorate of DIAND, and for the Soviet side the project leader was Dr. Vladimir Bojko, Director of the Institute of Philosophy and Law, at the Academy of Sciences in Novosibirsk, both of whom were responsible also for the programme of exchanges. It should be noted that Dr. Bojko was also the Chairman of the former Soviet, and now the Russian Government Commission on Northern Aboriginal Peoples. The Soviet scientists, led by Dr. Vladimir Bojko and Dr. Yuriy Popkov visited Inuvik, Aklavik and Tuktoyatuk during 1991 and 1992 with the prime purpose of studying:

- the attitude to labour and the problems of the adaptation of the indigenous peoples of the North under conditions of rapid technological change; and
- decentralization and self-government, as the premise and cause of activating the social life of the community.

The Canadian side, which was led by Harald Finkler, and included the participation of Olive Gordon, the Area Supervisor for the Department of Social Services of the GNWT, visited Egvekinot, Uel'kal and Amguema in the CAO during 1991. Mr. Finkler together with a Canadian research team returned to the same locations in April 1993 to complete the study which examined:

- the social consequences of economic development; and

- the role of community organizations in the formulation and delivery of mitigative measures in addressing the adverse social effects of development and accelerated social change.

Consequently, it can be argued that this specific exchange programme was the common thread which brought both these regions together. It focused on the fact that the Chukotka Region was the only region within northern Russia which was inhabited by approximately 1,800 Yuit who had similar traditions and interests as the Inuvialuit communities.

2.2 Developments from February 1991 to April 1992

During initial meetings between Mr. Gruben and Dr. Popkov, as well as with Dr. Bojko, in February and March 1991, there was a general agreement that a formal exchange between the Inuvialuit and the Yuit from Chukotka could be beneficial for both sides. This theme was further developed during the "Arctic Leaders' Summit" which was held in Copenhagen in June 1991, where Mr. Gruben met with Mr. Vladimir Etylen, Chairman of the CAO and Yuit representatives.

On July 17, 1991, Mr. Etylen wrote to Mr. Dennis Patterson, then Government Leader of the GNWT asking for closer relations between the GNWT and the CAO. Mr. Patterson responded through an intermediary at the end of August 1991 stating that although he supported closer relations with Chukotka, in light of the forthcoming elections in the fall, any action would have to be undertaken by the new Cabinet and Government Leader.

On November 19, 1991, Mr. Roger Gruben wrote to Ms. Nellie Cournoyea, the Government Leader of the GNWT asking for GNWT support in the initiation of an exchange programme between the Inuvialuit Regional Corporation and the Chukotka Autonomous Okrug. At the time the Government Leader had received this request, a review of the government's role in international affairs was underway and was not concluded before the spring of 1992.

On the basis of the principles of the Policy on International-Circumpolar Relations which was approved by the Executive Council on July 31, 1991, the results of the meeting of the International Circumpolar Relations Deputy Ministers' Committee held on February 19, 1992 and Cabinet's approval, Ms. Cournoyea wrote to Mr. Gruben on March 23, 1992 supporting a programme of exchanges between both regions with some financial help, if the IRC would be prepared to look after the majority of the costs. The rationale for this exchange and GNWT support was based on the following:

The Chukotka region is the only region within northern Russia which is inhabited by approximately 1,800 Yuit who have similar traditions and interests as the Inuvialuit living within the Delta/Beaufort Sea area. Since

Mr. Etylen had raised the question of establishing relations with the Government of the Northwest Territories, exchanges between the IRC and Chukotka could be the first step in establishing mutually beneficial relations between our governments. It would also underline this government's commitment to the principle of direct community involvement in international exchanges.

The Government Leader also suggested that the preliminary discussions take place with Mr. Etylen during the Inuit Circumpolar Conference Assembly in July 1992 in Inuvik.

2.3 The Inuit Circumpolar Conference (ICC), July 1992

As a result of meetings between the Honourable Nellie Cournoyea, Mr. Gruben and Mr. Etylen during the ICC meetings, an exchange programme was discussed and agreed upon between the IRC and the CAO. As a result of these discussions, letters co-signed by Ms. Cournoyea and Mr. Gruben were written to key Russian authorities requesting their support to ensure a successful exchange programme between the IRC and the CAO. These authorities included: Mr. Aleksandr Nazarov, the Governor (Chief Administrator) of the Administration of the CAO; Mr. Vladimir Kuramin, the Chairman of the Russian State Committee for the Social and Economic Development of the North (Goskomsever), and Minister in the Russian Government; and Mr. Yegor Gajdar, then Prime Minister of Russia.

2.4 Approval of the Visit

A visit to Chukotka by a delegation from the IRC to work out the details for an exchange programme between the IRC and the CAO was approved by all parties, both in Russia and Canada. The GNWT, DIAND and CAEDS provided some financial support to ensure that the visit to Chukotka would take place.

The visit was to have taken place in September 1992, however, because of various commitments, the visit was postponed until January 1993.

3. VISIT TO CHUKOTKA

3.1 Information on Chukotka

The information on Chukotka is based primarily on an overview presented by Mr. Etylen during the discussions which occurred at Novoye Chaplino.

3.1.1 General

The distance between Moscow and the Chukotka Autonomous Okrug (CAO) is more than 14,000 kilometres, or 8 time zones.

The area of the CAO is 740,000 square kilometres, and administratively, it is divided into 8 rayonny (regions). The eastern part of the CAO includes the administrative regions of Chukotka, Provideniya, Yul'tin, Anadyr and Bering, while the western part of the CAO includes the administrative regions of Bilibino, Chaun and Shmidt.

The physical geography of the CAO is mostly mountainous interspersed with mountain valleys, plains and thousands of large and small lakes. The streams and rivers of the mountainous regions flow into three Eastern Arctic seas - the Eastern Siberian, the Chukchi and the Bering.

The climate can be considered as harsh - the winters are long and cold, while the summers are short, cool and generally foggy.

The animal and marine life is rich and varied and is the basic source of food for the Aboriginal population. A great variety of southern birds from many parts of the world nest in Chukotka during the spring.

3.1.2 Population

At the present time the population consists of 160,000 inhabitants of whom, 16,000 are Aboriginal peoples. The largest group of Aboriginal peoples are the Chukchi (11,914), followed by the Yuit (1,800), the Eveny (1,336) and other Aboriginal groups. Out of the 26 different northern Aboriginal peoples found throughout the Russian north, representatives of seven of these groups are found in Chukotka.

3.1.3 Domestic Reindeer Industry

The CAO specializes in domestic reindeer breeding. The domestic reindeer population in Chukotka consists of 430,000 head of reindeer, while the wild reindeer population numbers 50,000 (sometimes translated as caribou, but a different species to those found in North America). Most of the domesticated reindeer herd is located in the regions of Bering, Anadyr and Chaun and there are 28 state farms involved in the reindeer industry. In good years they have been able to harvest and process about 90,000 to 100,000 head of reindeer, while in bad years from 70,000 to 80,000.

The CAO has had limited success in operating in the international market regarding the antler trade. Although there are antler joint ventures between Central Chukotka and Alaska, and two between northern Chukotka and South Korea, the joint ventures have not been profitable and the CAO has not gained financially from these ventures.

Until 1992, reindeer meat production had been primarily for the Okrug's domestic consumption. With the introduction of market-oriented reforms, some stores in the CAO began importing cheaper priced meat from Central Russia. Consequently, the CAO is looking for external markets for its state farms to sell their meat. Although the state farms will continue to produce for the CAO's internal market, the general feeling is that if these farms are to survive, it is crucial for them to sell to foreign markets.

3.1.4 Fur Industry

The Provideniya Region specializes in the operation of Arctic fox farms with limited marine mammal hunting. The hunting and trapping of wild Arctic fox takes place along the Arctic Coast, while in the interior, particularly along the boundary of the eastern and western parts of the CAO, squirrels and sable are hunted.

Commercial marine mammal hunting primarily takes place in the Bering and the Chukchi Seas. There has not been any marine hunting during the last few years because of the unavailability of boats.

3.1.5 Fishing Industry

There are only three large river systems in the CAO which include the Anadyr, the Bol'shoj and the Malenkej An'uj, and Omolon rivers. Commercial fishing is limited primarily to the Anadyr and its tributaries with some commercial fishing on the Omolon. Annually, 6,500 tons of fish are harvested of which 5,000 tons, mostly char, is caught in the Anadyr river system.

Commercial fishing, both river and sea, has been the responsibility of the federal Ministry of Fishing. In 1992, however, the CAO received its own quota and now hopes that within three years it will establish its own commercial fleet which will operate within the Anadyr Bay and the Bering Sea.

3.1.6 Industrial Development

Chukotka is also rich in many non-renewable resources such as tin, gold, tungsten and coal. Mining operations are underway for all these minerals in the regions of Chukotka, Bilibino, Chaun and Yul'tin.

There is also good oil and gas potential in both on- and off-shore areas, particularly in the Anadyr Basin.

3.2 Itinerary

Friday, January 15

- | | |
|-------|---|
| 11:00 | Arrival in Provideniya |
| 12:00 | Briefing of agenda |
| 12:30 | Check-in, Ureliki Hotel |
| 13:30 | Lunch, Aeroflot Cafeteria
Official welcome speeches and introduction of Chukotka government officials |
| 15:00 | Tour of the Provideniya Tanning Factory (reindeer and fox) |
| 16:30 | Tour of the Special Education School |
| 19:00 | Dinner, Shashlik Restaurant |
| 20:30 | Meeting with the Avan-Yupik Native Association and local dancers at the House of Pioneers <ul style="list-style-type: none">- Entertainment- Slide presentation by the IRC- Presentation of gifts |

Saturday, January 16

- 9:00 Breakfast, Aeroflot Cafeteria
- 10:00 Provideniya Tanning Factory
Board ATT for travel to Novoye Chaplino
- 12:30 Meeting with the village administration, reindeer herders, hunters, school officials, etc.
- 14:30 Lunch, boarding-school
- 15:30 Meeting with local natives and dancers at the village recreation centre
- Entertainment
- Presentation by the IRC
- Presentation of gifts
- 17:30 Return to Provideniya
- 20:00 Meeting and negotiation of Memorandum of Understanding
Meeting at the home of Lyudmilla Ajnana
- 22:30 Dinner, Shashlik Restaurant

Sunday, January 17

- 10:00 Work on Memorandum of Understanding at administration building
View video on reindeer herding
- 12:00 Signing of Memorandum of Understanding
Presentation of gifts
- 13:30 Lunch, Aeroflot Cafeteria
Presentation of gifts
- 15:00 Departure for Inuvik

3.3 Discussions

This section provides a cursory overview of the discussions that took place in each visited location. For more detailed information refer to: Appendix 6.1 (notes in point-form on the meetings); Appendix 6.2 (The IRC Report on the Visit to Chukotka); and Appendix 6.3 (the Report by the Umayot Corporation on the Potential Benefits and Economic Opportunities in Chukotka).

3.3.1 Visit to the Provideniya Tannery - Friday, January 15, 1993

Hosted by: Ivan Khlyum, Director of the Provideniya Tannery.

The tannery processes between 70,000 to 80,000 reindeer skins annually and Arctic fox pelts primarily from the fur farms run by the villages. In spite of the high costs of flying in most of the reindeer skins and locally generated electricity, production costs are three to four times lower than in Magadan.

The tannery buys the reindeer skins primarily from the reindeer state farms in the CAO, but recently the tannery has begun to buy skins from the Magadan Oblast' because the prices of skins in the CAO have risen sharply. Although the price of reindeer skins varies from 250 to 500 rubles for each skin, the cost of transportation is very high. For example, the average cost to fly one skin from Anadyr to Provideniya is approximately 5,000 rubles.

Most of the Arctic fox which is processed at the tannery comes from fur farms, while a very small portion of wild Arctic fox is shipped in from other regions. The tannery is able to process 20,000 - 30,000 pelts per year, but because of a recent scarcity of pelts being sold elsewhere, it now processes only a very small fraction of its capabilities.

Wages have increased three or four times, but these increases have not kept up with the rate of inflation which has increased more than 20 times within the last year.

The prognosis for the future operation of the tannery is not good. Although the tannery is going to be privatized, the results of this action will depend on the availability of skins and pelts which are now being sold outside of the CAO. In addition, the tannery's future will depend also on conditions beyond the tannery's control, such as, the cost of raw materials, transportation, energy, water supply, etc., all of which will effect the tannery's survival. Finally, in the future, the dumping of tanning chemicals and the cost of building a waste treatment plant could pose as obstacles in the operation of the tannery.

3.3.2 Visit to the Special Education School - Friday, January 15, 1993

Hosted by: Iosif I. Zabrodskij, Head of the Department of Education, APR; and
Galina Voloshina, Principal of the Special Education School.

The school dormitory was under repair and, as a result, some of the students were boarding in the school. It appears that the purpose of the school was to bring together students who were orphans, handicapped or had learning disabilities in order to provide a co-ordinated system of care and learning.

Vocational training was very important and training took place for such vocations as shoemaking and dressmaking. There was also a training programme for seamstresses who sew traditional Aboriginal costumes. A training programme for the production of traditional arts and crafts was also taught at the school.

There was also a school museum which had a number of interesting Aboriginal artifacts. Although this museum had been in operation for 10 years, it was officially recognized on March 7, 1987.

It was explained that all the exhibits were produced and/or brought by the students and the teachers. The museum was very important for the students because it depicted the traditional way of life, culture and artifacts of the Chukchi and the Yuit from the earliest to the present time. Moreover, it also provided an historical reference to past and present Aboriginal teachers, professionals and leaders in the region. As a result, its greatest contribution has been to make the students proud of their heritage and give them a better understanding of the contribution of their forefathers.

3.3.3 Visit to the Avan-Yupik Native Association - Friday, January 15, 1993

Hosted by: Nadezhda N. Sudakova, President of the Avan Cultural Association and advisor to Aboriginal inhabitants, APR;

Vera Parasinova, Dance and Language Teacher, Avan Cultural Association; and

Lyudmilla Ajnana, ICC Executive Council Member, and Co-Chairperson of the Yupik Society of Chukotka.

The welcome to the Avan-Yupik Native Association was prefaced by the presentation of the children's and young student's drum-dance ensemble "Pej" under the direction of Vera Ivanovna Prienko.

This Association is made up of more than 100 families who are mostly Yuit, but there are also some Chukchi, Eveny and Yukagiry. The organization was formed in April 1989 and one of the founders of this organization was Lyudmilla Ajnana.

Roger Gruben provided an overview with a slide presentation on the lifestyle and environment of the Inuvialuit in the Western Arctic. At the conclusion of this presentation he outlined the results of the Inuvialuit Final Agreement and provided the following documents which had been translated into Russian: The Inuvialuit: A Summary of the Inuvialuit Final Agreement; Umayot Background; ESSO Agreement; Shell Concession; ILA Procedures; and Self-Government Initiatives.

Members of IRC also distributed several large boxes of fruit, vegetables, candy and chocolate bars which was greatly appreciated by the members of the Association. This gesture was repeated at the School for Special Education and at Novoye Chaplino. Understanding that since the fall of last year there were no fresh fruit and vegetables in the Russian northern settlements, one can well imagine the joy and appreciation this gesture brought to the inhabitants.

3.3.4 Visit to Novoye Chaplino - Saturday, January 16, 1993

Hosted by: Galina Karpicheva, Mayor;

Igor A. Zabrebin, Principal;

Iosif I. Zabrodskij, Head of the Department of Education, APR;

Nikolaj N. Mitrofanov, Director of the State Farm (Arctic fox fur farm and reindeer herding); and

Mr. Saleko, Director of Dance Group.

3.3.4.1 The School at Novoye Chaplino

The school has classes from the first grade to the eleventh grade with 124 students attending. Most of the students are Aboriginal (about 70% are Yuit, 26% are Chukchi and only 5 students are Russian). The village is the largest Yupik village in Russia and the only

school in Russia where Yuit students are able to complete their high school training and study the Yupik language until the eleventh grade.

The school has 21 teachers, 13 of whom are Yuit and Chukchi and native to Novoye Chaplino. Most of the teachers have a higher education and are graduates of the Herten Pedagogical Institute in St. Petersburg and Magadan.

The school year is from September 1 to May 25 and there are four breaks, one in the autumn, winter, spring and the summer vacation. The Yupik and Chukchi languages are taught as a subject from the first grade to the eleventh grade. In the fifth grade the students are taught Yupik or Chukchi for 6 hours per week, and in the seventh grade from 2 to 6 hours per week.

High school students generally complete their secondary education at the ages of 17 or 18 years. They usually spend 4 to 5 years at higher level institutions and almost all return to their settlements to take up teaching or other professional occupations.

3.3.4.2 Education Trends - General

At present, the main goal is to maintain the culture of all the indigenous peoples in this region. The school curricula, which can now be changed, will try to fulfil this goal. At the same time it must be understood that, from a social and economic perspective, the people of Russia are presently living under difficult conditions during this complex period of change. As a result, one of the challenges is to teach the young people to adapt to these changes and to choose for themselves a position in life corresponding to their wishes and to their aptitudes. Schools are introducing a type of curriculum which will include courses in basic economics and marketing-management.

In order to fulfil this goal, small businesses managed by the students and geared toward the marketing of crafts made by the students, are being introduced in schools as part of the curriculum. This was viewed by the IRC delegation at the shoemaking class at the School for Special Education. In Provideniya, a store called the "School Boy", which recently opened, sells merchandise produced by the students.

3.3.4.3 The State Farm at Novoye Chaplino (Reindeer & Arctic Fox)

The main occupations at this state farm are Arctic fox farming and reindeer herding. There are 115 workers of whom 80% are Aboriginal, mostly Yuit and Chukchi. The projected sales for 1993 are 27 million rubles, with a profit of approximately 2 million rubles from the sale of reindeer antlers and meat, Arctic fox pelts, a small quantity of fish and local crafts.

The main income (approximately 80%), comes from the sale of fur pelts. At the beginning of 1992 one fox pelt sold for 3,000 rubles, however, by the end of 1992 the pelt's selling price had increased to 15,000 rubles. Reindeer meat and fish are used mostly for local consumption.

This state farm has 1,500 domestic reindeer of which 250 to 300 are harvested annually. The reindeer herding is done by 5 Chukchi herders while the Yuit are primarily responsible for fishing and fur farming.

3.3.5 Issues Raised During Mr. Etylen's Presentation

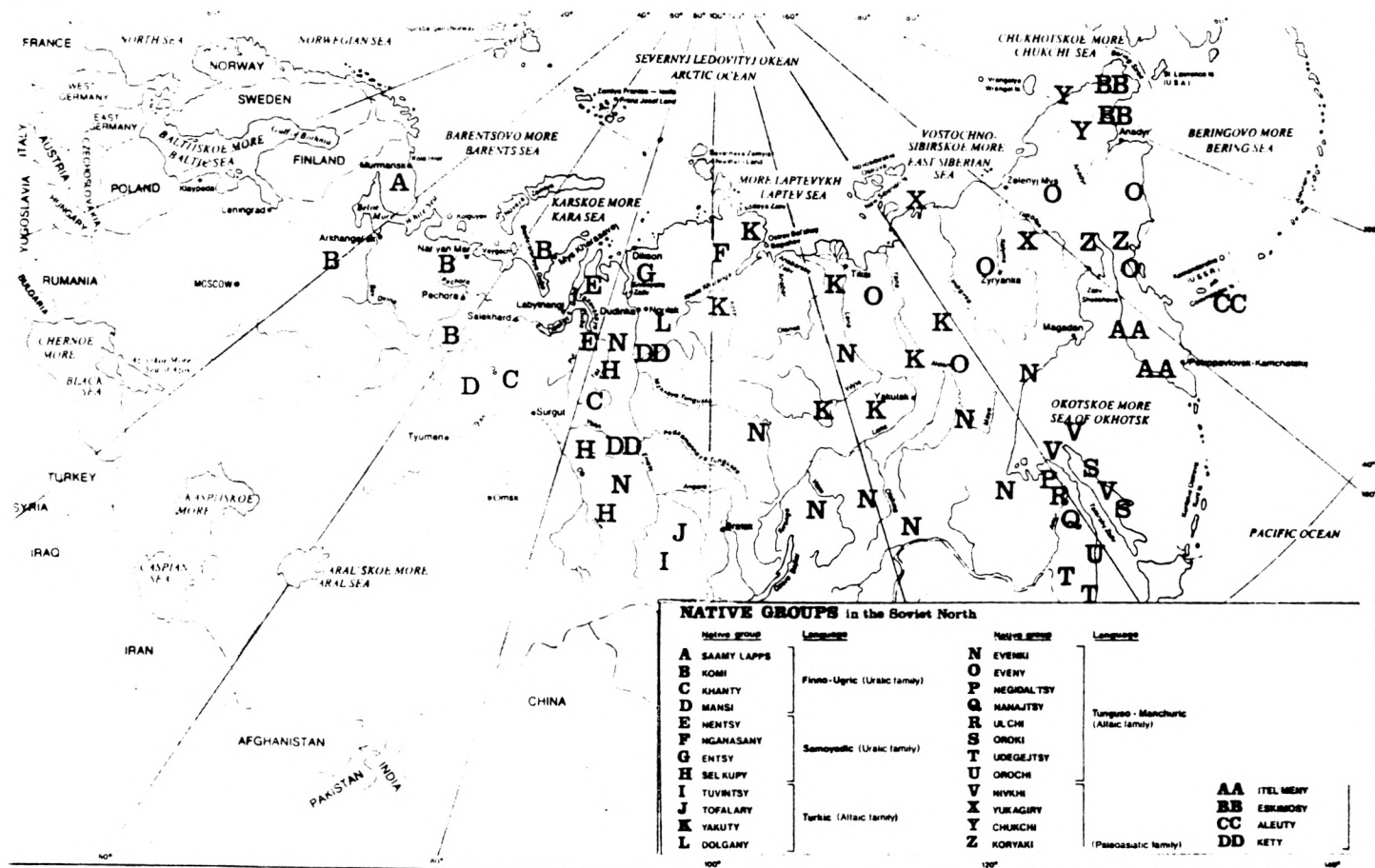
- (a) With some market reforms in operation, there are stores in the CAO that are importing meat from Central Russia because the price of the imported meat is cheaper than that produced locally. As a result, it is becoming necessary for the CAO to find external markets for the state farms to sell their meat.
- (b) Although the CAO has joint ventures concerning reindeer antlers with other countries, it would like to expand these joint ventures to include other reindeer products, such as, reindeer meat and reindeer meat by-products, as well as to expand contacts with other partners.
- (c) The CAO was now more interested in buying modern technology for the production of meat products, and in developing new technology for the processing of meat by-products.
- (d) The IRC might be able to help the CAO to make contacts concerning housing technology in Canada. The CAO was interested in having a few houses built with technology used in the Canadian north on the old site of Chaplino and Chirnikh in the Chukotka Rayon.
- (e) Both sides agreed to the importance of cultural and educational exchanges between both regions. Teacher and student exchanges were areas of interest to both sides.
- (f) The question of a visa-free agreement between both regions would be passed on to both federal governments.

3.3.6 Table Showing Population Statistics of Aboriginal Groups in Northern Russia, 1959-1989² (Based on the 1989 U.S.S.R. Census)

People	1959	1979	1989
URALIC GROUP			
Nentsy (Samoyeds)	23,000	30,000	35,000
Khanty (Ostyaks)	19,000	21,000	23,000
Mansi (Voguls)	6,400	7,600	8,500
Sel'kupy (Ostyak Samoyeds)	3,800	3,600	1,900
Saami (Lapps)	1,800	1,900	1,900
Nganasany (Tavgi Samoyeds)	700	900	1,300
Entsy	N/A	N/A	N/A
ALTAIC GROUP			
Evenki (Tungus)	24,000	27,000	30,000
Eveny (Lamuts)	9,100	13,000	17,000
Dolgany	3,900	5,100	6,900
Nanaytsy (Golds)	8,000	11,000	12,000
Ul'chi (Ol'chi)	2,100	2,600	3,200
Udegeytsy	1,400	1,600	2,000
Chuvantsy	N/A	N/A	1,500
Orochi	800	1,200	900
Negidal'tsy	N/A	N/A	200
Oroki	N/A	N/A	200
Tofalary (Karagas)	600	800	700
PALAEOASIATIC GROUP			
Chukchi	12,000	14,000	15,000
Koryaki	6,300	7,900	9,200
Nivkhi (Gilyaks)	3,700	4,400	4,700
Itel'meny (Kamchadals)	1,100	1,400	2,500
Yukagiry	400	800	1,100
Kety (Yenisey Ostyaks)	1,000	1,100	1,100
ESKIMO-ALEUT GROUP			
Eskimosy	1,100	1,500	1,700
Aleuty	400	500	700
TOTAL	130,600	159,400	184,500

² Figures taken from: Natsional'nyy sostav naceleniie SSSR 1989 gody, pp. 6-7.

3.3.7 Map of Native Groups in the Russian North



4. MEMORANDUM OF UNDERSTANDING BETWEEN THE INUVIALUIT REGIONAL CORPORATION AND THE CHUKOTKA AUTONOMOUS OKRUG

4.1 General

The final result of the discussions - originating in Inuvik in July 1992 between Mr. Gruben and Mr. Etylen, continued by Dr. Pedro van Meurs during September 1992 in Chukotka and finally concluded between Mr. Gruben and Mr. Etylen in Provideniya - was the signing of the Memorandum of Understanding (MOU) between the Inuvialuit Regional Corporation and the Chukotka Autonomous Okrug on January 16, 1993. (See Appendix 6.6).

This Memorandum is an umbrella agreement for specific areas of co-operation which include: the commercial harvesting and processing of reindeer; oil and gas co-operation; the promotion of cultural and educational exchanges; and a general "catch-all" category for the promotion of further activities, all of which are outlined below.

4.2 Commercial Harvesting and Processing of Reindeer

Under this activity, the Umayot Corporation (an IRC subsidiary) together with its counterparts in the CAO will review the possibilities for the:

- (a) transfer of technology related to the commercial harvesting and processing of reindeer meat and reindeer meat by-products from Chukotka based on international export standards; and
- (b) marketing and distribution, in Canada and other countries, of reindeer meat and reindeer meat by-products from Chukotka.

4.3 Oil and Gas Co-operation

All sub-activities and agreements agreed on September 28, 1992 between the IRC subsidiary, the Inuvialuit Petroleum Corporation (IPC) and Chukotneftegasgeologiya are acknowledged under this Memorandum. These agreements include the following:

- "On Methodical (Technical and Economic) Research of the Problems Linked with the Exploitation of the Small Oil Fields On-shore the Chukotka Autonomous Okrug", [a study of the possibility of bringing the small oil fields into production and for the exchange of information], (See Appendix 6.7); and

- "Assistance Agreement Between the Chukotka Committee of Geology and Mineral Resources and the Inuvialuit Petroleum Corporation", [provides assistance to the Committee on Geology in the area of bidding procedures and terms and conditions with respect to petroleum licences]. (See Appendix 6.8).

4.4 Promotion of Cultural and Educational Exchanges

Under this activity both sides underlined their commitment to promote an exchange of information dealing with each other's culture and education and to explore the possibility for the initiation of:

- (a) visits by the members to each other's communities;
- (b) exchanges of drum-dancing troupes this coming summer;
- (c) exchanges of teachers and students; and
- (d) those issues currently under discussion by the Parties.

4.5 General "Catch-All" Category

Although the above-mentioned activities are the main activities which will be undertaken, there will also be a continuing review of new topics to be introduced, concerning culture, education and business opportunities, which will be brought up at future meetings.

4.6 Review of Possible Benefits

In reviewing the activities agreed to by both sides under the MOU, the following should be noted.

Concerning business and other opportunities under Clause 2 dealing with the **Commercial Harvesting and Processing of Reindeer**, Mr. Beaudouin underlines the following benefits:

- under **game ranching**, there appears to be the "opportunity to gain first hand information into the science of game ranching - most importantly, herding and penning techniques of feral (free ranging) animals" because of the Chukchi's long-standing experience in ranching reindeer;

- under **fur farming**, there appears to be the "opportunity to learn from the development of the farming of Arctic fox in Chukotka in order to study the feasibility in creating a fur farming operation in the Western Arctic"; and
- under **reindeer meat and caribou**, "the economic benefits to the Umayot would be significant if we are able to work with the Russian and Canadian governments to find a way to apply and enforce Canadian standards on the slaughter and processing of caribou and reindeer".

Concerning business opportunities under Clause 2, which deals with research and co-operation relating to the oil and gas resources in Chukotka, the IPC, according to its President, Dr. Pedro van Meurs, is "interested in evaluating the possibilities for the development of small oil fields in the Anadyr and Khatyrka Basins, and in particular the possibility for a small refinery and the distribution of products from Chukotka to Western and Northern Alaska, and possibly the Canadian Western Arctic Region". The two agreements which were signed in September 1992 support the above-mentioned objectives and some federal financial assistance is being provided concerning the first joint venture agreement.

Concerning the remaining two clauses, the activities are primarily related to cultural and educational activities which will bring visible mutual benefits to the inhabitants of both regions. These types of activities will also be the most costly, since, unlike commercial joint ventures, they are not revenue-producing activities. On the other hand, they will create lasting interpersonal relationships between both regions which undoubtedly will be the most rewarding.

5. SUMMARY AND CONCLUSIONS

5.1 General

The visit was a success. The direct communication between the leaders and Aboriginal residents of both regions resulted in a better understanding of each other's similarities and differences. Although the weather interfered dramatically with the visit and limited the visit primarily to Provideniya, the main purposes of the visit, i.e., to evaluate specific commercial possibilities and ventures, and to promote cultural and educational exchanges between both regions, were achieved through the signing of a joint Memorandum of Understanding (MOU).

The obvious importance in the signing of this MOU is that the action completed a cultural and historic connection between the Inuvialuit and the Yuit. In the Canadian/national context, another major significance of the MOU is that it was the final step in a process which began in 1971 and dealt with the Canadian- former Soviet/Russian Arctic exchanges. Since 1984, when the Canada-USSR Arctic Science Exchange Programme was launched, there has been a natural devolution of authority regarding the exchange programmes from the federal to the territorial governments, and now finally, to direct regional participation in the international arena.

It is the first time under these exchange programmes that an MOU has been signed by a region, i.e., the IRC on behalf of its residents, the GNWT and the federal government. Previously, northern residents participated under agreements signed either by the federal government or the GNWT.

5.2 Memorandum of Understanding

In reviewing the MOU itself, the document is very practical and concise and underlines, in practical terms, the types of activities in which both regions should be involved. It is not a "wish-list" that tries to accomplish everything at one time, but provides a selection of activities which appear to be viable, primarily in the short-term, but also in the long-term. There are obvious benefits for both sides, but there will also be costs, both in terms of money and human resources, which will have to be evaluated carefully by both sides.

5.3 Other Areas of Co-operation

There are a number of interesting points which were raised by Mr. Etylen and Mr. Gruben in Section 3.3 and Appendices 6.1 and 6.2, during the visit to Novoye Chaplino, under Issues

Raised During Mr. Etylen's Presentation, which will have to be further studied by the IRC and anyone else wishing to do business in the CAO. The purpose here is only to highlight these points and not to comment, since this will have to be done directly by the IRC.

This is also true for a proposal that Mr. Etylen wished to be passed on to the GNWT. He provided the Russian text of the proposal, a Draft Agreement Between the Chukotka Autonomous Okrug of the Russian Federation and the Government of the Northwest Territories of Canada Concerning Economic and Cultural Co-operation and the Further Development of Friendly Ties. With the exception of a short discussion with the GNWT representative, there were no detailed deliberations concerning the draft which is made up of 12 Articles. The Draft was translated into English and provided to the GNWT soon after the group returned to Canada. (See Appendix 6.9).

In conclusion, from the very warm reception the delegation received and the results that were achieved, the visit was highly successful. Now the real work begins!

6. APPENDICES

6.1 Notes Taken During Meetings, *by Walter Slipchenko*

6.1.1 Visit to the Provideniya Tannery - Friday, January 15, 1993

Hosted by: Ivan Khlyum, Director of the Provideniya Tannery.

- process from 70,000 to 80,000 reindeer skins annually;
- process pelts, primarily Arctic fox which come mainly from the state fur farms run in the CAO;
- the Arctic fox pelts are used mainly for men's and women's fur hats;
- most products produced are sold in the Chukotka Region;
- also process cowhides;
- production costs are three to four times lower here than in Magadan, in spite of the high cost of flying in most of the reindeer skins and electricity;
- the cost of electricity has increased by a factor of 13 times in the period of one year;
- the tannery buys the reindeer skins from the reindeer state farms in the CAO, but recently has been forced to buy skins from Magadan because the prices of skins in the CAO have become very high;
- very little processing of wild Arctic fox since most of the Arctic fox comes from fur farms and any wild Arctic fox are shipped in from other regions;
- the price of reindeer skins vary from 250 to 500 rubles for each skin in the CAO;
- the cost of transport for the reindeer skins is very high, for example, to fly one skin from Anadyr has been averaged at a cost of 5,000 rubles;
- wages have increased three or four times during the last year (wages for the workers range from 21,000 to 39,000 rubles while for technical staff from 30,000 to 45,000 rubles), while prices of goods have increased more than 20 times and as result are dramatically out of step with the rate of inflation;
- the tannery is going to be privatized, but this action will depend on the availability of the skins;
- the problem now is that many of the skins from the state farms in the CAO are not being sold to the tannery, but to other firms and agencies outside the CAO;
- since the skins are not being processed by the tannery, but outside of the CAO, this action has resulted in a large amount of taxes being lost by the CAO;
- if Arctic fox pelts were available, the tannery could process 20,000 - 30,000 pelts per year;
- during the last year and a half the productivity of this tannery has dropped significantly because of the reduction in the availability of hides and pelts which were being sold elsewhere - in and outside of Russia;
- as an example, in previous years the tannery would receive 70,000 to 80,000 reindeer leggings from which they would make mukluks, this year the tannery has not received any;

- concerning the future outlook for this tannery, it depends on items outside the tannery's control, such as the cost of the raw materials, transportation, energy, water supply, etc., all of which will directly effect the tannery's ability to survive;
- according to the Director, there was a control system for the disposal of harmful chemicals and a waste disposal system (according to some of the locals the bay is dead because of the dumping of raw chemicals from the tannery);
- a proper waste disposal system and the use of less toxic chemicals would raise the costs of operations substantially and would undoubtedly result in the tannery's closure;
- the fur and leather which is produced are processed into garments or sold as materials for further processing;
- the tannery uses chromium chemicals for processing;
- concerning the effects of warble flies on the skins, it is a major problem;

6.1.2 Visit to the Special Education School - Friday, January 15, 1993

Hosted by: Iosif I. Zabrodskij, Head of the Department of Education, APR; and

Galina Voloshina, Principal of the Special Education School;

- the school dormitory was under repair, and as a result the students were being boarded in classrooms in the school;
- it appeared that some of the students were orphans, handicapped and some seemed to have learning disabilities;
- it appeared that the purpose of the school was to bring these students together to provide a co-ordinated system of care and learning;
- visited some classrooms;
- there were 11 grades in this school, similar to all schools in Russia;
- school has also a vocational training program and those who wish can learn a trade (such as shoemakers, seamstresses, also seamstresses who produce traditional Aboriginal costumes, and students interested in producing traditional arts and crafts);
- visited the school museum which had a number of interesting Aboriginal artifacts;
- museum had been operating for 10 years (officially, however, it was opened on March 7, 1987);
- all exhibits were produced and/or brought by the students and the teachers;
- the museum is very important for the students because it depicts the various bird, animal and mammal (primarily whale products such as the fat, bone and baleen) resources of the region, shows the traditional way of life, culture and artifacts of the Chukchi and the Yuit from the earliest days to present times, provides an historical reference to the first Aboriginal teachers, professionals and leaders, and provides examples of modern life in this region;

- visited the shoemaker training classroom and were introduced to some of the work of a student in his final year;
- the student was making reindeer mukluks with rubber soles;
- they also make shoes, ski boots and regular boots, all of which have linings made from either reindeer or other furs;
- students begin the course by making the mukluks;

6.1.3 Visit to the Avan-Yupik Native Association - Friday, January 15, 1993

Hosted by: Nadezhda N. Sudakova, President of the Avan Cultural Association and Advisor, Aboriginal inhabitants, APR;

Vera Parasinova, Dance and Language Teacher, Avan Cultural Association;

Lyudmilla Ajnana, ICC Executive Council Member, and Co-Chairperson of the Yupik Society of Chukotka.

- welcome by Nadezhda Sudakova to Provideniya and to the Avan-Yupik Native Association;
- the presentation began with several dances by young children of the school's drum-dance ensemble "Pej" under the direction of Vera Ivanovna Prienko;
- young throat singers also performed;
- there was a dance, verse and song about an enactment of a fairy tale about a raven by the young children;
- introduction of the person responsible for teaching the Chukchi children their language, customs and dance, Vera Preinko;
- explained the organization;
- more than 100 families make up the organization which is composed mostly of Yuit, but there are also Chukchi, Eveny and Yukagiry;
- all members are united by their northern traditional life-style and their common problems;
- organization was formed in April 1989 and the founders of this organization included Lyudmilla Ajnana;
- slide presentation by R. Gruben in which he described the lifestyle and environment of the Inuvialuit in the Western Arctic (at the conclusion of the presentation members of the IRC distributed fresh fruit, vegetables and chocolate bars to all those who had attended the function.

6.1.4 Visit to Novoye Chaplino - Saturday, January 16, 1993

Hosted by: Galina Karpicheva, Mayor;

Igor A. Zabrebin, Principal;

Iosif I. Zabrodskij, Head, Department of Education, APR;

Nikolaj N. Mitrofanov, Director, State Farm (Arctic Fox Fur Farm and Reindeer Herding); and

Mr. Saleko, Director of Dance Group.

Presentation by Igor A. Zabrebin, Principal:

- the school is a secondary school;
- classes from the first grade to the eleventh grade, students range from 17 to 18 years old;
- the student body consists of 124 students, most of whom are native students (about 70% are Yuit, 26% are Chukchi and there are only 5 students who are Russian;
- the village is inhabited primarily by Yuit and it is the largest Yupik village in Russia;
- it is also the only high school in Chukotka where Yuit students can study the Yupik language from the first to the eleventh grade;
- the teaching of English began in the 1940s;
- there is a foreign language programme where English, French and German are taught;
- just recently the teaching of English has been introduced in the first grade, whereas two years ago English was introduced in the fifth grade;
- the school has 21 teachers, 13 of whom are Yuit and Chukchi who were born and now live Novoye Chaplino;
- most of them have higher education and have graduated from the Hertzen Pedagogical Institute in St. Petersburg, or the Pedagogical Institute in Magadan;
- the remaining teachers come from the central parts of Russia;
- there is a boarding school which houses Chukchi students;
- these students live in a small Chukchi community not far from Novoye Chaplino, about 50 miles, which only has an elementary school and that is why the students come here to study from the fifth to the 11th grade;
- the length of the school year is from September 1 to May 25 which is the same throughout Russia;
- vacations during the school year occur in the autumn, winter, spring and of course after May there is the long summer vacation;

- the Yupik and Chukchi languages are taught only as a subjects from the first grade to the eleventh grade;
- in the fifth grade they are taught Yupik or Chukchi for 6 hours a week and in the seventh grade from 2 to 6 hours a week;
- the response to a question as to whether this was sufficient time to keep the language alive and keep the students fluent, was that it depended on whether the parents or grandparents spoke their Aboriginal language at home;
- however, in taking steps to resolve the problem of the students losing their native language, the school first extended the teaching of native languages from the first to the fourth grades, then later to the eighth grade and just recently has extended the teaching of native languages until the eleventh grade;
- all other subjects are taught in Russian;
- however, an effort is made to teach the names of the animals, plants, and other common items in the Native language;
- high school students leaving small settlements to complete their higher education are generally 17 or 18 years old when they leave and spend from 4 to 5 years at the institution;
- once they finish their studies at these higher learning institutions almost all return home to the small settlements;

Presentation by Iosif I. Zabrodskij, Head of the Department of Education, APR

- everyone in this region and throughout the CAO and other areas in northern Russia is working under very special conditions;
- the main goal of this administration is to try and maintain the culture of all the peoples of this region;
- as a result the school curriculum, which can now be changed, is going to fulfil this goal;
- at the same time, it must be understood that from a social and economic perspective the inhabitants of this region are living in very a complex and complicated period;
- for this reason, one of the challenges this administration is facing today is to teach the young people to adapt to this changing (market) economy and to choose for themselves a position in life corresponding to their wishes and to their aptitudes;
- the administration is going to introduce, in the schools, a type of curriculum which will include courses in basic economics and basic marketing-management;
- to fulfil this goal the administration is going to introduce in schools a small business that the students will manage themselves and which will be geared at marketing their crafts, something that was seen at the shoemaking class at the Special Education School;
- this is the reason that the administration has opened a store in Provideniya called "The School Boy" which is where merchandise produced by the students is sold;

- this administration would be pleased if IRC could advise on the development of the store and perhaps enter into a collaborative venture with the administration in this area;

Presentation by Nikolaj N. Mitrofanov, Director of the Novoye Chaplino State Farm

- main industries at this state farm are hunting of marine mammals, the Arctic fox farming and reindeer herding;
- there are 115 workers of whom 80% are Aboriginal, Yuit and Chukchi;
- projected sales for 1993 are 27 million rubles;
- included in the sales are reindeer antlers and meat, fur pelts from the fox farm, a small quantity of fish and local crafts;
- 80% of income to the state farm comes from the sale of fur pelts;
- meat and fish are mostly for local consumption;
- as of 1 January 1993, there were 1,500 head of reindeer which were looked after by 5 Chukchi herders;
- while it is mostly the Yuit who look after marine hunting, (stopped in the last two years because of the unavailability of proper boats), fishing and fur farming;
- the yearly harvest of reindeer is between 250 to 300 head and this year the harvest was 267 head;
- it is not possible to increase the size of the herd in this area because of the limitations of the range, particularly because of winter conditions;
- it would only be possible to increase the size of the herd, if feed could be brought during the winter and this is not economically feasible;
- the main purpose of the reindeer herd is to provide meat to feed the local population, but they can sell the antlers and the hides;
- the type of feed for the Arctic fox comes mostly from walrus, small seals and the farm also buys fish (cod) from the government;
- in 1991 they caught 4 whales;
- until 1991 they used to hunt for whale, but since then because their boat is no longer operative and unable to catch whale to feed the fox;
- fish is not caught locally to feed the fox because there are not sufficient fish in the surrounding waters and therefore it is necessary to buy the fish from the government;
- from 27 million rubles that the state farm earns from the sale of its produce the profit is approximately 2 million rubles;
- the cost of running the state farm is more than 24 million rubles and this cost keeps changing because selling prices of the produce together with the costs of buying, services are changing continuously;
- last year one fox pelt was selling for 3,000 rubles and at the end of 1992 it was selling for 15,000 rubles and there is no consensus on how high the price will rise;
- concerning the harvesting of foxes, this year they have harvested 1,450 pelts;

- concerning the trapping and hunting of wild Arctic fox, the population is very sparse in this region and during the year they could trap up to 10 or 15, however, this year only one was caught;
- concerning the effects of environmental pollution on the reindeer herd, while the state farm does not conduct any tests, there is a federal agriculture inspection team that conducts tests on the quality of the meat and registers any pollutants affecting the quality of the meat;
- concerning the selling of their antler, meat and hide products, the markets are changing and they have to search areas where they will get the most;
- as a result, they are selling to all types of customers, which comes from all parts of Russia and other parts of the world;
- antlers are being sold to a joint venture company they have formed in Anadyr with the Swedes;
- the antlers are being used to pay for the equipment the Swedes have sold to process the antlers;
- these antlers are the velvet antlers from the young reindeer that are harvested in the spring;

Presentation by Mr. Vladimir Etylen

- using a map Mr. Etylen provided a very informative overview of the situation in the CAO;
- the area of the CAO is 740,000 sq. km;
- the CAO is divided in 8 rayonny (regions);
- at the present time the population is 160,000 inhabitants of whom 16,000 are Aboriginal peoples;
- the largest group of the Aboriginal peoples are the Chukchi (11,914), followed by the Yuit (1,800) and the Eveny (1,336), and other very small groups;
- out of the 26 different northern Aboriginal peoples, representatives of seven of these groups are found in Chukotka;
- the CAO is mostly mountainous with relatively small plains and a series of mountain valleys;
- the CAO administratively is divided into the eastern part and the western part;
- eastern Chukotka includes the Chukotka, Provideniya, Yul'tin, Anadyr and the Bering regions;
- western Chukotka includes the Bilibino, Chaun and the Schmidt region;
- the reindeer population in Chukotka is 430,000 while the wild reindeer population is 50,000;
- Chukotka, as a result specializes in domestic reindeer herding;
- in eastern Chukotka the Even system of reindeer herding is used which is different from the Chukotka system;

- the peninsula where you are now located is classified a high risk zone for reindeer breeding and the administration is very careful in not increasing the size of herds in this area (Provideniya region);
- this region could and has handled up to 60,000 reindeer, but the optimum figure appears to be between 25,000 to 30,000 and this last year there were 30,000;
- as a result, this region is more specialised in the operation of Arctic fox farming with limited marine mammal hunting;
- most of the reindeer herds are located in the regions of Bering, Anadyr and Chaun;
- this was a short summation concerning reindeer herding, here, at Novaya Zemlya they are involved with furs primarily through Arctic fox farming;
- along the Arctic Coast there are arctic fox and more to the interior or boundary between eastern and western Chukotka squirrels and sable are hunted;
- there are not too many large river systems with the exception of the Anadyr, the Bol'shoj and Malenkej An'uj, and Omolon rivers;
- commercial fishing is limited primarily to the Anadyr and its tributaries, with some commercial fishing on the Omolon river;
- from the 6,500 tons of fish caught annually, 5,000 tons, mostly char, comes from the Anadyr river system;
- concerning commercial fishing in the CAO, this has been run by a central agency - the federal Ministry of Fishing;
- the Anadyr Bay and Bering Sea, in particular, are very rich in all sorts of fish and marine life;
- only since last year has the CAO begun to receive its own quotas and in the next two to three years CAO will begin to fish these sea areas commercially;
- until this time, the CAO has not been involved in fishing commercially in the Arctic seas (it should be noted that about 20 years ago the CAO kolkhozes [cooperative farms] were brought or joined together and any fishing boats that the kolkhozes had were turned over to the federal government and commercial fishing became a federal responsibility);
- there is an agreement signed between Russia and the United States to lower the fish harvest in the Bering Sea, since, at the present time, there are nine countries fishing in the Bering Sea and it is becoming overfished;
- as the CAO gains more independence over its affairs from the Russian government, and in light of the separation from the Magadan Oblast', the CAO is now beginning to resolve questions of development and the organization of various commercial ventures by itself (there was no doubt in Mr. Etylen's mind that in 2 or 3 years the CAO would be able to organize its own sea going fishing fleet and would be involved directly in commercial fishing);
- concerning present industrial resource developments in the CAO, these include the development of gold, tin, tungsten and coal;
- this industrial development is occurring primarily in northern Chukotka and the northwestern regions of Bilibino, Chaun and Yul'tin;

- concerning the oil and gas potential, possible development sites include both on- and off-shore areas, particularly the Anadyr Basin where presently studies are being conducted by the Inuvialuit Petroleum Corporation;
- concerning the agreement with the Swedes on reindeer, at the present time there are 28 state farms in the CAO, and the Swedes are involved in a joint venture with only 7 of these state farms;
- this joint venture only includes antlers and meat from only two state farms;
- there is a very large state farm on the Amguema River which has completely incorporated Swedish technology in the processing of antlers, however, this venture has not been particularly successful;
- until last year, before the opening of a free market, 100% of the reindeer meat which was produced here was sold for local consumption in the CAO, but now with the free market there are stores in Chukotka that are importing meat from Central Russia because it is cheaper than the reindeer meat that is produced locally;
- it is now necessary for the CAO to find outside markets for the state farms to sell their meat and the CAO is interested in the international marketing of reindeer meat but does not have any experience in this area;
- as to the antlers, the CAO has a long-standing experience which unfortunately has not been that positive since it rushed into this venture without too much thought and they would like to approach the marketing of meat in a more structured and civilized way to avoid some of the unpleasant experience as result of marketing the antlers;
- concerning the joint venture with the Swedes there have been some problems which they do not want to repeat in future joint ventures dealing with reindeer meat;
- although the CAO plans to continue to produce meat for its internal market, the administration feels that if these farms are to survive, then it is crucial for them to begin expanding to foreign markets;
- concerning both the horns and the meat, when it comes to the antlers the CAO has the experience in operating in the international market and where the antlers are being distributed;
- at the present time the CAO is working with South Korea;
- basically the major problem faced today by the CAO concerning the antlers is how to increase the quality of the end product because they are losing money;
- but when it comes to the international distribution of meat, this is where the CAO really has to seek outside advise on how to approach these markets;
- since the CAO does not have any experience past regarding the production and distribution of antlers, the administration wishes to study carefully the question of marketing reindeer meat;
- concerning reindeer antler joint ventures with other countries, there are three within the CAO, one between central Chukotka and Alaska and two between northern Chukotka and South Korea;

- the CAO would not only like to expand upon these joint ventures, it would like to broaden them to include other reindeer products, such as reindeer meat, but also to increase international contacts and to establish other partnerships;
- as far as the meat is concerned, there is a joint venture (Magal) between Alaska and Magadan;
- from the Magal joint venture, there is a small subsidiary in the CAO which produces meat for local consumption;
- Magal also buys antlers;
- the Alaskan partner of Magal (the name comes from **Magadan** and **Alaska**) provides the technology for meat processing and materials for the packaging of sausages, in exchange for the antlers and for the sale of some meat products to Alaska;
- concerning the export of meat to Alaska, there is no meat as such, but some meat products such as kolbasy (sausages and salamis) and other products;
- mostly antlers are sold at the present time to Alaska;
- concerning the antler trade and the actual exchange of foreign currency, there is almost no foreign currency involved;
- the one area in which foreign currency is involved is where the 28 state farms have consolidated into one antler enterprise which gathers the antlers and then sells the antler powder to South Korea for foreign currency and the state farms gets paid in foreign currency;
- the farms up until now have had very little use for the foreign currency, and as such would buy needed goods in exchange for currency;
- in the future, it is obvious that they will be using foreign currency more and more;
- in addition, to acquiring more foreign currency there will be a necessity for finished products produced in Russia and then sold on the world market;
- in Chukotka a system is being worked out with agencies in Khabarovsk and Sverdlovsk where the final antler powder would be produced in Russia;
- Russia is at the present time devising the type of technology which is needed to produce the medicines, etc., from the reindeer horns;
- Mr. Gruben stated that the IRC would be interested in the marketing aspect of antlers and meat in return for foreign currency, or certain kinds of services or products from the CAO;
- Mr. Etylen responded that the CAO's prime interest was in the transfer of technology as opposed to acquisition of foreign currency, since there was little that could be bought in Russia with foreign currency;
- he continued that in the past the CAO has bought goods from Hong Kong, South Korea and Taiwan, some of which were poorly made, the CAO now wishes to buy technology in exchange for foreign currency;
- this technology would include meat plants to produce meat products or technology for developing new reindeer processing plants for bi-products, such as, the blood, the internal organs and other secretions;

- Mr. Gruben stated that the IRC was quite prepared to work on introducing the technology that would allow the CAO to upgrade its slaughter facilities to internationally approved standards;
- Mr. Etylen again stressed that in view of the change in today's economy, and because the state farms are breaking down into individually owned units or owned by associations, internal markets will no longer be viable and it was essential for the CAO to get into the international market otherwise the reindeer industry will not survive;
- Mr. Gruben underlined IRC processing expertise which was second to none in cold climate regions;
- in reviewing the reindeer harvest in the CAO, in normal years they are able to harvest and process about 90,000 to 100,000 reindeer, in bad years this is reduced from 70,000 to 80,000;
- Mr. Etylen stated that the CAO fully understands that what is needed at the present time is to upgrade their facilities in order to meet international standards;
- Mr. Gruben continued by saying that he believed that the IRC could offer more than just a partnership, since the IRC had the technology, (marine and air) and infrastructure that would allow for the delivery of the product to certain markets (all of these factors would help to minimize CAO costs and produce higher profits);
- at this point both Mr. Gruben and Mr. Etylen agreed that these are the questions that both their specialists should study and that there should be an exchange of specialists;
- Mr. Gruben then made two final comments:
- first, in terms of technology transfer the IRC might be able to make contacts in order to introduce new technology in Chukotka, for instance, in the area of housing;
- secondly, since the IRC owns the infrastructure then it becomes more feasible for them to introduce that technology to Chukotka, although the forms of payment would have to be worked out prior to the technology transfer;

[In the preparation of Mr. Etylen's response I have gone to the long form of reporting in order to minimize any misunderstandings. This section was most important since it provides a guideline on how firms, IRC or others, wanted to get involved in the construction of housing in the CAO].

It should be understood that the CAO does not have very much foreign currency available. So when one speaks about any type of technology that can be introduced here, and the remuneration for this technology, then this is something which would have to be discussed since there does not appear to be any hope for the availability of hard currency in the foreseeable future.

The type of housing construction to be built is not for Novoye Chaplino. What appears to be envisaged is for the construction, initially, of a few self-contained units at Chaplino the original settlement of the which they were forced to abandon in the 1950s [by the military].

It is not to be large scale construction, and certainly not for the rebuilding of a village. Mr. Etylen enquired if there was any way for the IRC to look into the possibility of building two or three self-contained houses both on the old site of Chaplino and Chirnikh in the Chukotka Region, and perhaps the same number in two or three smaller settlements. These homes would be built along the lines of the technology used in Canada.

Mr. Etylen then underlined that the CAO was not completely without foreign currency. The new laws allow the CAO to have foreign currency and in the future the CAO will have the foreign currency necessary to conduct its business.

Mr. Etylen stressed that if the Canadian side, in particular the GNWT, was prepared to bring in building technology for the construction of single dwellings, then the CAO would find the foreign currency for those components and building materials. They do not want to bring in finished houses from Canada.

However, the CAO would want the Canadian firms to develop a construction base together with the CAO construction company which is operating in Provideniya. The CAO would be prepared to pay in foreign currency for components which would have to be brought in. Then the Canadian construction firm together with the construction firm in Provideniya would build single dwellings which would allow the Aboriginal people to live a normal life.

The meeting concluded with the following points being raised:

- a note about language training and the importance of teacher exchanges to work on learning a second language such as English for example;
- an agreement to look at the feasibility of teacher and student exchanges between both regions; and
- discuss with both federal authorities the issue of a visa free agreement.

6.2 Report by the IRC on the Visit of the IRC Delegation to Chukotka, January 1993

6.2.1 Introduction

As host of the Inuit Circumpolar Conference (ICC) in July 1992, the Inuvialuit Regional Corporation (IRC) co-ordinated efforts to bring a delegation from the Chukotka Autonomous District Council, including the Chairman, Mr. Vladimir Etylen, to Inuvik. At that time, the IRC met with Mr. Etylen to exchange information on their respective regions. These meetings led to discussions of a proposal for an exchange programme.

Past exchanges between Canada and Russia have primarily been between government officials. Government policy now encourages direct exchanges between Aboriginal peoples of Canada and Russia. The Government of the Northwest Territories (GNWT) and the Government of Canada have therefore endorsed and assisted the initiative taken by the IRC.

Following discussions between Chukotka and the IRC, an invitation was extended by Mr. Etylen to the IRC for an Inuvialuit visit to Chukotka.

6.2.1.1 Purpose of the Visit

The Inuvialuit visit to Chukotka was a fact-finding tour which focused on:

1. Land-claims settlements and implementation as a step toward self-government, including the creation of land management systems and environmental protection regimes.
2. Arctic and Aboriginal economic development of renewable and non-renewable resources in Chukotka, transfer of technology and utilization of IRC marketing skills.
3. Cultural and educational exchanges between the two regions.

6.2.1.2 The IRC Delegation

The delegation was composed of the following people:

Roger Gruben	Chairman
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Gilbert Thrasher	Director
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Vince Teddy	Director
Cathy Cockney	ISDP
Jim Rogers	Legal Counsel
Peggy Jay	Logistics Coordinator
Tom Beaudoin	Umayot Corporation
Walter Slipchenko	GNWT and Government of Canada representative
Natalie Novik	Translator
Miro Cernetig	The Globe and Mail

6.2.2 Visit to Nome, Alaska

The delegation was forced to stop in Nome, Alaska due to inclement weather. Former ICC Executive Council member, Charlie Johnson, hosted the delegation and arranged an introduction and meeting with the Bering Straits Native Corporation (BSNC). The IRC and BSNC's Chief Executive Officer and President, Jack Carpenter, discussed mutual concerns related to financial history, business opportunities and socio-cultural programmes. It was felt that further discussions in these areas may be advantageous to both organizations.

6.2.3 Visit to Chukotka

6.2.3.1 Background

Chukotka has a population of 150,000 living in an area of 740,000 square kilometres, of which, 16,000 are Aborigines with the largest groups being the Chukchi and the Yuit. Chukotka is divided into 8 rayons (regions), each with a capital: Lavrentiya, Provideniya and Egvekinot in the East; Anadyr and Nagomy in the South; and Bilibino, Pavek and Cape Schmidt in the North.

Chukotka is potentially one of the richest regions of Russia because of its wealth in under-developed mineral resources: oil, gas, coal, diamonds, silver, tin and tungsten. It also has one of the largest concentrations of reindeer in Russia with 450,000 head of reindeer in 28 collective farms.

The Government of Chukotka is in the midst of reforming its economy with the privatization of the major sectors. Plans include also the modernization of the transportation and communications sectors and the construction of infrastructures.

Chukotka does have hard currency for pilot projects although bartering has been a long-standing business practice, which, in the past, has allowed them to exchange technology for goods and services. With the political and economic changes in Russia, Chukotka is willing to do business with the West through international trade, joint ventures, etc. The stabilization of the ruble is expected within the next ten months.

6.2.3.2 Itinerary

Due to the IRC delegation's delay in Nome, the original itinerary for Chukotka was amended. Provideniya was designated as the main location for all discussions, and Mr. Etylen and his delegation flew into Provideniya from Anadyr.

Friday, January 15 (Thursday, Inuvik)

- | | |
|-------|--|
| 11:00 | Arrival in Provideniya |
| 12:00 | Briefing of agenda |
| 12:30 | Check-in, Ureliki Hotel |
| 13:30 | Lunch, Aeroflot Cafeteria
Official welcome speeches and introduction of Chukotka government officials |
| 15:00 | Tour of Provideniya Tanning Factory |
| 16:30 | Tour of Special Education School |
| 19:00 | Dinner, Shashlik Restaurant |
| 20:30 | Meeting with Avan-Yupik Native Association and local dancers at the House of Pioneers <ul style="list-style-type: none">- Entertainment- Presentation by the IRC- Presentation of gifts by the IRC |
| 24:00 | Return to hotel |

Saturday, January 16 (Friday, Inuvik)

- 9:00 Breakfast, Aeroflot Cafeteria
- 10:00 Meet at Provideniya Tanning Factory
Board ATT for travel to Novoye Chaplino
- 12:30 Meeting with village administration, reindeer herders, hunters, school officials, etc.
- 14:30 Lunch, boarding-school
- 15:30 Meeting with local natives and dancers at the Village Recreation Centre
- Entertainment
- Presentation by the IRC
- Presentation of gifts
- 17:30 Return to Provideniya
- 20:00 Meeting and negotiation of Memorandum of Understanding
Meeting at home of Lyudmilla Ajnana
- 22:30 Dinner, Shashlik Restaurant
- 00:30 Return to hotel

Sunday, January 17 (Saturday, Inuvik) (Contd)

- 10:00 Final drafting of Memorandum of Understanding, administration building
View video on reindeer herding
- 12:00 Signing of the Memorandum of Understanding
Presentation of gifts
- 13:30 Lunch, Aeroflot Cafeteria
Farewell speeches
Presentation of gifts by Chukotka delegation
- 15:00 Departure for Inuvik

6.2.3.3 Discussions

Through tours, meetings and presentations, the IRC delegation was able to achieve the following on this initial visit to Chukotka. The brief but intensive itinerary allowed the delegation a glimpse of Provideniya, the administrative centre, and Novoye Chaplino, a Yupik village of 400. In both communities, the Yuit organized presentations to celebrate this historic visit and warmly greeted all members of the delegation.

- The IRC established personal contact with the Chukotka government and its administrators, giving them an opportunity to discuss all issues and concerns at the highest level as more decisions are now made by Chukotka which is achieving self-government and decentralization. At the same time, corporations from Korea, Japan and the United States have been eyeing this emerging state. However, the IRC with its diverse group of Inuvialuit companies and business associates in the north, can be the key player in becoming the expertise required to link Chukotka with the west in providing much needed goods and services.
- By establishing personal contact with leaders of Aboriginal organizations in Chukotka, the IRC renewed ties it established at the ICC meeting in Inuvik. These Yuit look forward to learning from the Inuvialuit experience as they anticipate the return of Aboriginal lands to their communities in the near future. They also hope to strengthen the Inuit ties and take their rightful place in the Arctic by opening an ICC Chukotka in Lavrentiya this fall.
- The delegation gained insight into cultural similarities and differences between the Inuvialuit of Canada's Western Arctic and the Yuit of Chukotka. Cut-off from the world, these Yuit have struggled to retain their language and culture. Their drum-dancing presentations reflect their isolation. For the Inuvialuit, it was a very emotional moment when members of the delegation joined in the dancing. It gave the IRC more determination to strengthen the culture. After all, both sides can only be enriched from continued contact.
- An understanding of the role of native culture in education was gained. Although students must follow a Russian curriculum which includes English language training, they do receive two to three hours of cultural immersion (Yupik and Chukchi) per day. Ties are strong with Alaska and already exchanges are in place. However, little is known of Canada, especially the Inuvialuit, except what was learned in Inuvik at the ICC.
- First hand information into the science of game ranching, specifically reindeer, was valuable. Although the Chukotka peoples do not possess the expertise to harvest the animals to export standards, nor the knowledge and infrastructure to market their

products, they do have years of experience in ranching reindeer. However, the Umayot Corporation has the technology to harvest game animals to export standards. The revenue from the sale of these carcasses would be substantial if it were possible to export to the Pacific Rim and Western European countries.

- The delegation was able to evaluate marketing opportunities in Chukotka, specifically in the area of reindeer meat and antlers. Other possibilities include the use of a transportation system down the Mackenzie River to bring goods into Chukotka, the transfer of technology, construction of single-unit homes in the villages and tourism. As the visit was brief, these were the only opportunities identified at the time. However, the potential is great for other, as yet, unidentified marketing opportunities.
- A familiarization with Chukotka - their way of life and business protocols - is paving the way for future relations. The visit provided a greater understanding of the people and their way of conducting business with the West.
- The IRC gave presentations on the Inuvialuit in Provideniya and Novoye Chaplino. Documents were prepared and translated into Russian for The Inuvialuit: A Summary of the Final Agreement; Umayot Background; ESSO Agreement; Shell Concession; ILA Procedures and Self-Government Initiatives. Many were very interested in self-government, land-claims and its resulting land management process. At one point, the Russian administrators became very uneasy with some of the questions directed by the audience to the IRC.
- An agreement on a Memorandum of Understanding which addressed:
 - cultural and educational exchanges; and
 - possible business opportunities (reindeer and oil and gas).

6.2.3.4 Memorandum of Understanding

A copy of the signed Memorandum of Understanding in English and Russian is attached.

6.2.3.5 General Impressions of Chukotka

The IRC delegation found Chukotka to be a step back in time. Provideniya is surrounded by snow-capped mountains and is by all accounts a beautiful place. However, this community of 5,000 is very industrialized. Most apartment buildings are made of concrete and subsiding because of being built directly on the ground. Fuelled by coal, tall smoke stacks spew black smoke over the town.

At the tannery, annual salaries range from 29,000 to 39,000 rubles (\$72.50 to \$97.50 US), whereas a deputy minister in the Chukotka government makes 72,000 rubles annually (\$180.00 US). Today, \$1 US buys 400 rubles, but six months ago it bought 180 rubles. However, the prices of goods remain the same or higher. Faced with the devaluation of the ruble, the people are just surviving and can only meet basic needs.

Shortages of fresh fruit and vegetables is a fact of life. People live primarily on canned goods and chicken in the winter. Restaurants serve only what is available, and as a result, menus do not exist. Amenities are very basic, especially in the hotel. Spartanly furnished with three or four people in a room, comforts like toilet paper, soap, extra lighting in the hall, hot water in the washrooms and heating at night were not available.

Yet despite all these hardships, the people are very hospitable. They have little, yet they are very generous. They view what life is like elsewhere, i.e., on television; they see the delegation using Western goods yet there is no resentment.

6.2.4 Conclusion

In conclusion, the IRC delegation to Chukotka was a success. The signing of the Memorandum of Understanding fulfilled the mandate of this initial IRC delegation visit. Under this Memorandum, the Inuvialuit group of companies will investigate the development of harvesting and marketing techniques for reindeer; encourage further research and co-operation relating to the development of oil and natural gas resources in Chukotka; and promote cultural and educational exchanges.

Chukotka is an underdeveloped region with vast potential. In the long-term, on-going contacts with Chukotka will be profitable and enriching to the Inuvialuit.

6.3 Report on the Potential Benefits and Economic Opportunities for the Umayot Corporation in Chukotka, Russia

**UMAYOT CORPORATION
400 - 505 8TH Avenue S.W.
CALGARY, Alberta, T2P 1G2**

TO: Roger Gruben, Chairman, IRC
FROM: Tom Beaudoin
DATE: January 26, 1992
RE: Report on the Potential Benefits and Economic Opportunities for the Umayot Corporation in Chukotka, Russia

GAME RANCHING: A major benefit to Umayot from the Memorandum of Understanding is the opportunity to gain first hand information into the science of game ranching - most importantly, herding and penning techniques of feral (free ranging) animals.

Although the Russians have neither the expertise to harvest feral animals according to international export standards, nor the knowledge and infrastructure to market their products, they do possess thousands of years of experience in ranching reindeer. This knowledge is important for it will provide us with the background to improve our musk-ox herding and driving techniques. Perhaps most importantly, at this time, it will allow us to make major advancements in the design and construction of the holding pens. We have struggled with this problem for several years. Even though we have overcome many of the difficulties, I believe their expertise will amount to a substantial savings in developmental and operating costs.

Umayot is the only company in North America, and probably one of only a handful in the world, that has the technology to harvest game animals according to international export

standards. It is important therefore that we continue to expand our knowledge base and level of expertise for this has become one of Umayot's most valuable assets.

FUR FARMING: Similar to reindeer farming, the Russians have developed a high degree of sophistication in farming white (Arctic) fox. The director of the state farm in Novoye Chaplino reported that close to 90% of their revenue comes from the sale of farmed white fox furs.

The foxes are raised on marine mammals and fish. While the marine mammals are collected from the bordering coastal area, the fish are imported. Since both of these food sources are abundant in the Western Arctic and because Arctic fox are indigenous to the region it may be possible to utilize their technology to create a viable fur farming operation in the Inuvialuit Settlement Region (ISR).

REINDEER MEAT: According to Vladimir M. Etylen, Chairman of the Elected Deputies, there are 450,000 reindeer in the province of Chukotka of which 30,000 to 40,000 can be harvested annually. The revenue from the sale of these carcasses would be substantial if it were possible to export it, particularly to Pacific Rim and Western European countries.

I have had a brief discussion with an official from Agriculture Canada on this topic and although there are major problems to be dealt with it is not an impossible task. The most obvious difficulty to overcome is the apparent lack of an appropriate meat inspection regime. Presently, western nations are providing incentives - both monetary and otherwise - to industry toward developing a free market economy in Russia. It may be feasible therefore to lobby the Canadian government to license plants in Chukotka to ensure that acceptable practices and standards are met.

REINDEER ANTLERS: The collection, processing and marketing of reindeer antlers was mentioned by the Russians as a business venture in which they are seeking a reputable company to work with. Previous ventures with Swedish and American companies for removing and treating the horns have failed. To be successful they felt additional infrastructure was required to convert the horns into powder.

CARIBOU: The caribou population of Chukotka is estimated to be about 50,000. Since reindeer meat is the provinces single most important food item and appears to be the mainstay of their agriculture industry - employing thousands of people - they view caribou as a pest and threat to their livelihood.

Consequently, they control the caribou populations by routinely slaughtering thousands of head of caribou. Although it was not stated, it is probably safe to assume that due to their obvious dislike for the animal, the carcasses are not used for human consumption.

The economic benefits to Umayot would be significant if we were able to work with the Russian and Canadian governments at finding a way to apply and enforce Canadian standards in the slaughter and processing of caribou and reindeer. Furthermore, Umayot would become the sole supplier of Russian reindeer and caribou, as well as musk-ox and caribou from the Canadian Arctic.

Clearly there are these, as well as, the potential for many more opportunities worth exploring in greater detail. It is important to recognize, however, that even the transfer of technology (as per the Memorandum) will require an investment in time and money.

6.4 Proposed Original Itinerary

Monday, January 11, 1993

10:00 Arrival in Provideniya
11:00 Check-in to the Ureliki Hotel and discuss itinerary
12:00 Lunch
13:00 Fly to Sireniki (Native village, reindeer herding at collective farm) or travel
 by all-terrain vehicle to Novoye Chaplino (depending on weather)
19:00 Dinner in Provideniya
21:00 Meeting with residents at a local club and meeting with the representatives of
 the Yuit Association of Chukotka

Tuesday, January 12, 1993

08:00 Breakfast, Aeroflot Cafeteria
09:00 Travel to Sireniki or Novoye Chaplino (depending on weather)
10:00 Meeting with village administration, reindeer herders and hunters;
14:00 Lunch with community residents at Novoye Chaplino or Sireniki
17:00 Return to Provideniya
19:00 Dinner
20:00 Visit the Avan-Yupik Native Association and entertainment by the local
 dancers

Wednesday, January 13, 1993

08:00 Breakfast, Aeroflot Cafeteria
09:00 Travel by helicopter to Lavrentiya
12:00 Lunch
14:00 Meeting with the Association of the Aboriginal Businesses of the Chukotka
 Okrug; visit Lavrentiya
20:00 Dinner and entertainment at the Native Club "Yetti" (Welcome)
 Overnight in the homes of residents

Thursday, January 14, 1993

08:00 Breakfast
09:00 Travel to Anadyr
14:00 Lunch and check-in to the Chukotka Hotel
16:00 Look at reindeer slaughter points and visit Aboriginal businesses
19:00 Dinner
20:00 Cultural programme

Friday, January 15, 1993

08:00	Breakfast
09:00	Meeting with the Association of Aboriginal Businesses of the Chukotka Okrug and the Department of Aboriginal Economic Development
10:00	Negotiations and business discussions
12:00	Lunch
14:00	Continuation of negotiations Work on the Protocol
19:00	Dinner
20:00	Performance by the Native Dance Group Atatusik

Saturday, January 16, 1993

08:00	Breakfast
09:00	Preparation of final Protocol
12:00	Signing of Protocol
13:00	Lunch
14:00	Return to Provideniya
19:00	Farewell Dinner

Sunday, January 17, 1993

08:00	Breakfast
09:00	Departure from hotel to airport
10:00	Return to Canada

6.5 List of Officials

Representatives from Anadyr:

Vladimir M. Etylen	Chairman, Council of the Peoples' Deputies of the Chukotka Autonomous Okrug;
Nina I. Vaal'	Deputy Head (Deputy Governor), Administration of the Chukotka Autonomous Okrug (ACAO);
Valentina F. Golubeva	Deputy, Council of Deputies of the Chukotka Autonomous Okrug, Member of the Aboriginal Council in the Chukotka Autonomous Okrug and Member of the Commission on Social and Nationality (Aboriginal) Problems;
Nikolaj R. Makotrik	Director, ACAO;
Grigorij A. Tynankergav	Manager, Licensing Department, Chukotka Geological Committee (CHUKOTGEOLKOM);
Tat'yana Yu. Achirgina	Specialist, Council of the Elected Deputies of the Chukotka Autonomous Okrug; and
Anatolij N. Krashakov	Consultant, International Relations, ACAO.

Representatives from Provideniya:

Aleksandr V. Ivanov	Chairman, Council of Peoples' Deputies of the Provideniya Rayon;
Iosif I. Maslej	Deputy Head, Administration of the Provideniya Rayon (APR);
Viktor I. Savel'ev	Deputy Head, APR;
Ivan V. Bovsunovskij	Chairman, Committee on Land Resources and Reform, APR;
Iosif I. Zabrodskij	Head, Department of Education, APR;

Galina Voloshina	Principal, Special Education School;
Olga Krasnova	Teacher and Interpreter;
Lyudmilla Ajnana	ICC Executive Council Member, and Co-Chairperson, Yupik Society of Chukotka;
Nadezhda N. Sudakova	President, Avan Cultural Association and Advisor, Aboriginal inhabitants, APR;
Vera Parasinova	Dance and Language Teacher, Avan Cultural Association;
Yurij I. Kalyantograu	Chief, Department of Agriculture, APR.
Ivan Khlyum	Director, Provideniya Tannery;
Aleksandr Ovcharenko	Airport Manager, Provideniya; and
Andrej Vasiliev	Interpreter, Provideniya Airport;

Representatives from Novoye Chaplino:

Galina Karpicheva	Mayor;
Igor Zabrebin	Principal;
Vitaliy Mitrofanov	Director, State Farm (Arctic Fox Fur Farm and Reindeer Herding); and
Mr. Saleko	Director of Dance Group.

6.6 Memorandum of Understanding Between the Inuvialuit Regional Corporation and the Chukotka Autonomous Okrug (District)

WHEREAS:

- A. In July 1992, meetings took place in Inuvik, Northwest Territories, Canada, among the Inuvialuit Regional Corporation (IRC), the Government of the Northwest Territories of Canada (GNWT) and the Chairman of the Chukotka Autonomous Okrug (District) Council (CAOC), during which they exchanged information related to their future relations.
- B. In September 1992, two agreements were executed between the Inuvialuit Petroleum Corporation (IPC), a subsidiary corporation owned by the IRC, and Chukotneftegasgeologia, which relate to the development of oil and gas reserves in Chukotka.
- C. During meetings between Roger Gruben, Chairman of the IRC, and Vladimir M. Etylen, Chairman of the Deputies' Council of the Chukotka Autonomous Okrug, which took place in the Provideniya Rayon (Chukotka), topics of mutual interest and benefit to the residents of Chukotka and the Inuvialuit Settlement Region were identified.
- D. The Parties to this Memorandum wish to promote and encourage further investigation into such issues of mutual interest and benefit as set out below.

THEREFORE:

- 1. The IRC will, through its subsidiary, the Umayot Corporation ("Umayot") investigate possibilities for the:
 - (a) transfer of technology related to the commercial harvesting and processing of reindeer meat and reindeer meat by-products from Chukotka to international export standards; and
 - (b) marketing and distribution in Canada and other countries of reindeer meat and reindeer meat by-products from Chukotka.
- 2. The IRC will, through its subsidiary, the Inuvialuit Petroleum Corporation (IPC) investigate the possibilities for further research and co-operation relating to the oil and natural gas resources of Chukotka, in addition to those agreements and understandings reached between the IPC and Chukotneftegasgeologia.

3. The Parties wish to promote the exchange of cultural and educational information relating to the Native peoples of Chukotka and the Native peoples of the Inuvialuit Settlement Region of Canada, and will investigate possible means of accomplishing such exchanges, including the promotion of:
 - (a) visits by their members to each other's communities;
 - (b) the exchange of drum-dancing troupes this coming summer;
 - (c) the exchange of teachers and students in 1993; and
 - (d) those issues currently under discussion by the Parties.
4. The Parties will investigate further topics of mutual cultural, educational and business interest for possible discussion in future meetings.

THIS MEMORANDUM IS DATED THE 16th DAY OF JANUARY, 1993 AT PROVIDENIYA AND HAS BEEN EXECUTED IN RUSSIAN AND ENGLISH VERSIONS.

Chukotka Autonomous District

Per: _____
Vladimir M. Etylen
Chairman of the Council
of Peoples' Deputies

Per: _____
Nina I. Vaal
Assistant to the Governor

Per: _____
Nikolaj R. Matotrik
Agriculture Department

Inuvialuit Regional Corporation

Per: _____
Roger T. Gruben
Chairman

Per: _____
Cathy Cockney
Social Program Director

Per: _____
James D. Rogers
Counsel

6.7 Agreement on Methodical (Technical and Economic) Research of the Small Oil Fields On-Shore the Chukotka Autonomous Okrug (District)

The Chukotka State Geological Enterprise for Oil and Gas Exploration (Chukoneftegasgeologia), hereafter, the CNGG, and the Inuvialuit Oil Corporation (Inuvialuit Petroleum Corporation, Canada), hereafter the IPC, supported in their joint efforts by the Soviet of Peoples Deputies and the Administration of the Chukotka Autonomous Okrug (District), enter the following agreement regarding their mutual intentions and ways to achieve them.

As a result of the exploration conducted on-shore Chukotka, a few oil fields with wax in the oil were discovered by the CNGG. Judging from oil reserves that could be extracted, these oil fields can be categorized as small. The exploitation of these oil fields is made difficult because of the high contents of wax in the oil which creates problems to bring the oil to the surface, to transport it, and further use it. The CNGG is interested in conducting methodological research of the feasibility to maintain the mobility of the oil at the surface and in the profitability analysis of these procedures.

The IPC expresses its agreement and interest in conducting the research regarding the technological procedures and the technical and economic analysis of these procedures to exploit the oil potential of the Chukotka small oil fields, in order to make concrete proposals regarding the exploitation of these oil fields.

Taking into account the Russian Federation Law of the Subsoil and the existing regulations of the Committee on Geology and the Use of the Subsoil of the Government of the Russian Federation, hereafter Geolkom RF, the CNGG will be responsible, within five days after the signature of the present agreement, to send to Geolkom RF a request for permission to transmit to the IPC on a non-commercial and fully confidential basis, the above mentioned Chukotka small oil fields, to enable the IPC to conduct the methodological research (technological and technical-economic).

Upon reception of the authorization from Geolkom RF to transmit the above mentioned information to the IPC, the CNGG will be responsible for the following:

1. Upon reception of the Geolkom RF authorization, the CNGG will immediately inform the IPC about it.
2. Within one month, maximum, after reception of the authorization, the CNGG shall prepare such technical, geological, geophysical, geochemical, chemical, economic and geographical data regarding the above mentioned small oil fields, as requested in a list of minimally required information prepared by the IPC submitted to the CNGG.

3. As soon as the information package on the small Chukotka oil fields is ready, the CNGG will immediately inform the IPC, and agree with the IPC, about the means to transfer the said package to Canada.
4. The CNGG will obtain from the legislative and executive authorities of the Chukotka Autonomous District the authorization to transmit the information package to the IPC.
5. The CNGG will cover all expenses regarding the preparation of the information package on the small oil fields of Chukotka.
6. The CNGG will transfer directly to the IPC the above mentioned package of information on the small oil fields in order for the IPC to conduct the intended research.

In case the CNGG receives a negative answer from Geolkom RF, the CNGG will immediately inform the IPC about this and the above agreement is cancelled.

The IPC will be responsible for the following:

1. Upon communication from the CNGG that the answer of Geolkom RF is positive, the IPC will start the research to study the problems of the de-waxing of oil in order to extract and transport it and the economic aspects of these problems.
2. The IPC shall prepare a written report on the rational ways and methods used for the technological operations and a profitability study prior to December 31, 1992 and submit a copy to the CNGG at no cost to the CNGG.
3. Transmit directly to the CNGG a copy of this report.

If the research on the de-waxing of the Chukotka oil gives positive results, upon reception from the CNGG of the package of the above mentioned geologo-geophysical and techno-economic information (information package), the IPC will be responsible for the following:

4. The IPC shall carry out a complete feasibility study of the development and production of the on-shore small Chukotka oil fields. The time frame to conduct the study is determined to be four and one-half months after receipt of the information package from the CNGG (tentatively prior to March 31, 1993).
5. The feasibility study will include the following:
 - (a) the production methods to be employed (the exploitation of oil and its initial processing);

- (b) the layout and initial conceptual design of the field processing plants;
- (c) the initial design and routing of the transportation of oil and its economic feasibility;
- (d) the layout and initial conceptual design of export methods;
- (e) a study of the refinery yield of crude oils;
- (f) the specifications of the products that can be produced from the Chukotka hydrocarbon crude;
- (g) a study of the North American Pacific shores (for instance Western Alaska) which might use the Chukotka oil products; and
- (h) an economic analysis of the project.

6. The IPC will transmit directly to the CNGG one copy of the feasibility research study.

In case the wax study results in negative conclusions, the IPC will not carry out the feasibility study for the exploitation and processing of the potential oil reserves in the small Chukotka oil fields.

In order to provide a reciprocal exchange of information, the IPC intends to:

1. Upon hearing from the CNGG that the information package is ready, the IPC will send at their own expense to the CNGG a specialist to receive the prepared information in order to review whether the information provided in the package is complete.
2. The IPC shall invite a professional of the CNGG to Calgary, Canada, to jointly study the copies of the data to be provided by the CNGG for a period of one month at a mutually agreed time. The IPC shall pay for all travel and lodging costs of the CNGG professional.

The IPC shall allow the CNGG professional to investigate the geological, exploration and drilling operations of the IPC and such professional shall have access to all confidential technical and economic data of the IPC in order to familiarize the professional with the operations of a private joint stock company.

3. Upon completion of the research, the IPC shall send a representative to Anadyr, at the IPC's cost, to present the study results to the Government of Chukotka and the technical council of the CNGG.

Both parties shall keep all information received from their partners confidential for a period of at least five years, if this period does not infringe on the legislation of the Russian Federation and the regulations of the Autonomous District of Chukotka.

This agreement shall remain in force until March 31, 1993, and terminate at that date unless extended by both parties.

This agreement will be in force after its approval by the IPC Board of Directors. The IPC will inform the CNGG of the approval by the Board of Directors of the IPC no later than one month after the signature of the present agreement.

This agreement is signed in Russian and English in four copies.

Signed in Anadyr, September 18, 1992

The official address of the parties:

Chukotneftegasgeologia
Russia 686744
Chukotka, Shahtersky
Neftianika Str 6
Fax: 429 - 19
Telex: 145-141

Inuvialuit Petroleum Corp.
Canada T2P 3C4
Alberta, Calgary
5th Avenue SW 1100, 300
Fax: (403) 266-4833
Telex: 038-21922

V.K. Soldatov
Director

Dr. P van Meurs
President

6.8 Assistance Agreement Between the Chukotka Committee of Geology and Mineral Resources and the Inuvialuit Petroleum Corporation

WHEREAS the Chukotka Committee of Geology & Mineral Resources (CGM) is currently preparing for an off-shore lease in the East Khatyrka Basin and is interested in receiving information about international practices in this regard, and

WHEREAS the Inuvialuit Petroleum Corporation (IPC) has negotiated and concluded licenses of a similar nature and has access to ample information about international licensing and regulatory practices, and

WHEREAS both parties desire to enter into this agreement, the parties hereby agree as follows:

1. This agreement shall be in force until March 31, 1993 and shall terminate on that date unless extended by the two parties.
2. The IPC shall provide comments on the draft contract that is currently available in the bid package for the East Khatyrka Basin.
3. At the request of the CGM, the IPC shall prepare an alternative draft for review by the CGM.
4. At the request of the CGM, the IPC shall carry out an economic analysis of the conditions off-shore Khatyrka and analyze the possible fiscal terms that could be obtained in this area, taking into account the geological attractiveness, the logistical and weather conditions of the off-shore area and the costs associated with these types of operations, and present a report about this matter prior to November 30, 1992.
5. The IPC shall invite a professional, selected by the CGM, at a mutually agreeable time, for a visit to Canada of two weeks, at the expense of the IPC, in order to:
 - (a) review the alternative draft lease prepared by the IPC;
 - (b) review the economic analysis prepared by the IPC;
 - (c) collect information about similar licenses, production sharing contracts, joint ventures and other petroleum arrangements in other areas of the world;
 - (d) visit government offices in Canada, of the Federal Government and the Government of the Northwest Territories, in order to meet with professionals in charge of regulatory and licensing matters, particularly in respect to off-shore matters;

- (e) collect detailed information about Canadian regulatory and environmental procedures, particularly in respect to off-shore areas; and
- (f) meet with top managers of the Canadian petroleum industry in order to promote the lease sale off-shore Khatyrka among larger Canadian companies and exchange ideas about licensing terms and conditions.

This agreement is signed in Russian and English and in four copies.

Signed in Anadyr, September 28, 1992

The official addresses of the parties:

Chukotka Committee on
Geology and Mineral Resources
Russia 686710
Chukotka, Anadyr
Kurkutskovo
Fax: 429 - 19
Telex: 145-141

Inuvialuit Petroleum
Corporation
Canada T2P 3C4
Alberta, Calgary
5th Avenue Sw 1100, 300
Fax: 403 - 266-4833
Telex: 038 - 21922

A.K. Kiselev
Chairman

Dr. P van Meurs
President

6.9 Draft Agreement Between the Chukotka Autonomous Region (Okrug) of the Russian Federation and the Northwest Territories of Canada Concerning Economic and Cultural Co-operation and the Further Development of Friendly Ties

Article 1

This Agreement has been reached for the purpose of developing economic, social, ethnic, cultural, educational, scientific and technical ties between the Northwest Territories of Canada and the Chukotka Autonomous Region. Co-operation shall be directed at broadening and intensifying business, cultural and political contacts between the two regions, as part of the strengthening of ties between Canada and the Russian Federation.

Article 2

This Agreement has been reached between the Northwest Territories of Canada and the organs of state power and government of the Chukotka Autonomous Region of the Russian Federation. It reflects the current level of sovereignty of the Chukotka Autonomous Region as a member of the Russian Federation and the existing economic and cultural ties between the parties to this Agreement.

Co-operation shall be based on the principles of mutual benefit, equality of rights, continuity and respect for the laws, customs and ways of the other party.

Article 3

This Agreement calls for the organs of state power and government of the two parties to co-ordinate and promote ties within their jurisdictions.

The federal governments of Canada and of the Russian Federation shall remain responsible for:

visas;

entry matters;

federal taxes and duties;

import controls;

customs and currency controls;

the management of federal state property;

international air travel; and

special economic zones.

However, the official organs of state power and government of Chukotka and the Northwest Territories of Canada in these areas reserve the right to encourage the federal governments on both sides to support initiatives emanating from these regions aimed at broadening ties at the regional level.

Co-operation shall also involve areas of joint activity with the federal governments as defined by the Constitution of Canada and the Federation Treaty between the Chukotka Autonomous Region and the Russian Federation.

Article 4

Other participants in this co-operation shall include both public and private structures in the areas of production, trade, the service sector, education, science, culture, art, health and sports. In this regard, neither the Northwest Territories of Canada nor the Chukotka Autonomous Region may give preference to or take the side of one firm (any cooperative or joint-stock company) against another in the private sector.

Article 5

Various social groups, associations, unions and such, including Native organizations in Chukotka and the Northwest Territories of Canada, shall also be empowered under this

Agreement to co-ordinate activities and develop co-operation in their areas of contact in order to strengthen Russian-Canadian relations.

Article 6

The recommended areas of co-operation shall include but not be limited to:

- research, co-ordination and exchange of information concerning economic and social issues;

- the exchange and delivery of products and services on a mutually beneficial, equivalent basis;
- the development of direct economic ties between economic entities in the two regions, regardless of the form of ownership or ministerial subordination;
- the creation of joint enterprises, especially enterprises that process the products of traditional forms of economic activity engaged in by the Native peoples of the two regions;
- the implementation of joint scientific programs by scientific establishments and organizations;
- the training of managers, especially from among the Native populations of Chukotka and the Northwest Territories of Canada, at specialized high schools and higher educational institutions in the two regions;
- environmental protection, including the development and implementation of a program of measures aimed at protecting the Bering and Chukchi Seas and the Arctic Ocean;
- social co-operation in the implementation of programs involving housing, health, the protection of Native culture and the fight against alcoholism, drug abuse and crime;
- the development of modern ties and communications;
- the development of tourism and sports; and,
- the development of brotherly ties between towns in the Chukotka Autonomous Region and the Northwest Territories of Canada.

Article 7

Through the corresponding federal governments, each party shall work for most-favoured status for its partner.

The parties agree that calculations shall be based on current price lists and on negotiated world prices applicable thereto.

The regions shall refrain from any activity causing economic or other loss to the other party and shall stop any attempts by economic entities to violate the interests of one of the parties to this Agreement.

Article 8

The parties consider it necessary to set up a joint working commission to draw up an economic and cultural co-operation program spelling out the forms which further development of ties shall take under this Agreement, following a procedure determined by the parties to this Agreement.

As far as the executive organs of the Chukotka Autonomous Region are concerned, responsibility for developing this program shall lie:

- for industry and geology, with the Industry, Transport and Communications Department of the Chukotka Geological Combine under the Regional Chief Administrator;
- for the production and processing of agricultural goods, with the Regional Department of Agriculture and the Department of Hunting;
- for architecture, town planning and municipal and housing services, with the Architecture and Town Planning Department under the Regional Chief Administrator;
- for science and education, with the Department of National Education and Science of the Regional Administration and the Chukotka Scientific Research Centre;
- for environmental protection, with the Regional Ecology and Natural Resources Committee and the Regional Centre for Sanitation and Epidemiological Inspections;
- for population movements and employment, with the Regional Department of Labour and Employment;
- for health, with the Regional Health Department, the Central Regional Hospital and the Farmatsiya Company;
- for culture and sports, with the Regional Department of Culture and Sports and the Regional Sports Committee;
- for law-enforcement, with the Internal Affairs Department of the Regional Administration, the Regional Court and the Procurator's Office;
- for trade, with the Regional Department of Trade; and,
- for social services, with the Regional Department of Social Services.

As far as the Office of the Premier of the Northwest Territories of Canada is concerned, responsibility for developing the program shall lie:

The corresponding organs shall be responsible for implementing this article in amendments to the economic management and social development plans of the Chukotka Autonomous Region and the Northwest Territories of Canada.

Article 9

Until the commission is set up and begins to perform the task spelled out for it in Article 8, official contacts shall be the responsibility of the Co-ordinating Council of Chukotka and the Northwest Territories of Canada, based, in the Northwest Territories of Canada:...

and, in the Chukotka Autonomous Region:

Article 10

Until the commission is set up, the Co-ordinating Council for Inter-regional Co-operation shall be authorized to create additional specialized organs within the administrations of the Northwest Territories of Canada and the Chukotka Autonomous Region for preparing special activities and plans involving relations between the two parties and for keeping all interested organizations informed of the on-going work.

Article 11

In working toward the goals of this Agreement, special significance shall be attached to the social, state and private structures of the native populations of Chukotka and the Northwest Territories of Canada.

These structures include, but are not limited to:

- the Association of the Smaller Nations of Kolyma and Chukotka, and its structures;
- the Chukotka-Inuit state ensemble "Ergyron";
- the Bukvol "Northern Souvenirs" bone-carving workshop in Uelen;
- sovkhoses run by Natives;
- small businesses, cooperatives and associations run by Natives;

- the "Chaat" joint-stock company;
- the Ein'ev Native Cultural Association;
- the Chukotka Regional Group in the Northern Assembly of Deputies;
- the editorial staff of the Native newspaper "Murgin nutenut";
- the Chukotka Regional Museum; and
- the regional Native corporations of the Northwest Territories of Canada.

Article 12

This Agreement shall take effect on the day it is signed by both parties and shall remain in effect until one of the parties expresses its desire to amend the terms of this Agreement or to cancel it.

This Agreement has been drawn up in the town of Anadyr in duplicate in the Russian and English languages. Both copies have equal force and were signed this ____ day of _____, 199__.

Signatures:

For the Chukotka Autonomous Region

For the Northwest Territories Region of
Canada

Chairman of the Council of
People's Deputies of the
Chukotka Autonomous Region

Chief Administrator of the
Chukotka Autonomous Region

President's Representative

Chairman of the Association
of the Smaller Nations of
Chukotka and Kolyma

Head of the Territorial
Department of the State
Committee for Northern
Affairs

Plenipotentiary of the
Ministry of Internal
Economic Ties

Director of the Chukotka
Scientific Research Centre
