USSR Trip Report #5

August 28th – September 9th, 1990

Itinerary:

August 29 – September 1st September 3rd – September 8th September 8th – September 9th September 9th

Moscow Krasnodor/Maikop Zaokske/Tula Moscow

Purpose of Trip

The major purpose was to assure the proper establishment of ACB (Association of Christians in Business) in the Soviet Union and to give it some momentum. Registration of ACB, the physical establishment of the office and consideration of staff and finances were important elements. We also met with five of the six ACB directors in Moscow (following their earlier meeting in Kishinev). My intention was to visit Maikop and Shuchinsk areas but visa difficulties forced me to cancel Shuchinsk and visit Maikop by rail (Officials could not check visas when using local rail services). There were also short visits to two cities Zaokske (Adventist Centre) and Tula (Valerij Friesen), but we failed to meet Friesen. The visit to Maikop was very productive.

A. Status of ACB

- ACB is alive and well but all cylinders are not firing at the same speed. Filev (President) has
 relocated to Moscow (will attend international business study program September 19th March,
 1991) and has an apartment. Semchenko has been active. Warkentin is working hardest on a
 regional basis, but with a distinctly "German" perspective. Maslow (Moldavia) has done less and
 is hard to read. Prit (Rovno) has visited a number of cooperatives and should be a solid board
 member. Melnikov (academic Siberia) is interested in coming to Moscow to work as staff –
 possibly director of information centre. He has not found any Christian cooperatives but Filev
 and I met an interesting Adventist entrepreneur from Novosibirsk (computers and electronics)
 who could be a good candidate for ACB.
- 2. The Board members approved a temporary budget for past expenses (12,000 rubles) plus 10,000 advance for Filev. They would not approve purchase of car. Filev proposed that a new Bible School in Belorechensk (10 miles from Maikop) become an ACB project (this project developed into St. Petersburg Christian University). They disagreed but said they would support management studies at Bible School (proposed two semesters of three weeks each commencing March, 1991).

Financing by membership (other than Directors) is still unclear. It may be possible that ACB can place reasonable surcharge on visits by Western people, exchanges, etc., so that those who benefit most pay.

3. <u>Registration</u> of ACB was major subject of discussion. ACB does not fit an easy category at national level. Conclusion was to register locally (Moscow) under a more progressive city

council and work toward national registration later. They would like our intervention at highest levels (they mean <u>high</u>).

4. The ACB office in Moscow seems to be resolving itself very nicely. Semchenko has obtained access to part of an old two-storey building near the Bolshoi Theater (excellent location) with ten rooms. It will require extensive renovation and I mean extensive. It should be great when finished. Reason for availability unclear but related to Semchenko promising to complete especially difficult underground project near Red Square prior to freeze-up.

Filev has also located a six room apartment on the fifth floor in a building only two blocks away. Also excellent potential but needs a little less reconstruction. Proposal is to acquire both and use to sublet to agencies like MCC and keep for future expansion for example: bank, travel bureau.

Semchenko and Filev have authorized me to discuss/negotiate with MCC about their use of space. They recognize valuable assistance of MCC to SUN (Soviet Union Network – now used for an initiative) and possible secondment of Herb and Maureen Klassen. Nevertheless, acquisition of buildings and repair will entail some hard currency costs. For example, six room apartment may be bartered for John Deere street sweeper for city. Reconstruction materials may need to come in part from West. MCC may be willing to also barter donation of basic office electronics (Xerox, fax, etc.), for agreed months of space or pay moderate hard currency rent.

5. Office Renovation

One proposal is to invite an appropriate Western person to visit Moscow for two to three weeks to prepare detailed plans for office reconstruction and decoration. Time could also be spent on two other reconstruction projects. Yuri Duchovichny of Kiev, an architect with relationships to LeRoy Troyer of South Bend, may also be invited in joint efforts to get the best of Soviet and Western ideas. The thought is that work should be done to Western standards to result in an office with more value, genuine business atmosphere and something good for the long haul.

Paul Hiebert of Winnipeg would have the right mix of architect/renovation skills and may be willing to go.

6. Office Staff for ACB

<u>Filev</u> – will be in Moscow full time through March, 1991. His studies are from 4:00 pm - 10:00 pm. He will work in office in day time but his travels will be somewhat restricted.

<u>Melnikov</u> – presently ACB Director from Novosbirsk, director of post high-school vocational program and with Latvia Mission. Could be a good person to organize the office and to visit churches/cooperatives. He is single so travel is no problem.

<u>Herb and Maureen Klassen</u> – could be available in late Fall as secondment from MCC for period of six to twelve months. They would help to bridge some of the East-West cultural/ communication gaps during the critical initial period. Their loyalty to SUN would reduce fragmentation of effort from groups who will try to pull ACB in all directions. They should also have good writing skills to develop profiles of ACB opportunities/needs and to create information base for profile in West. They could assist as hosts for Western delegations.

<u>Secretary/Translation</u> – Filev says that a young Soviet lady is available who does not have strong secretarial skills but is good with language.

<u>Driver</u> – Andrej is presently a driver for Filev. He is a fine young man – but needs to learn English.

There have also been detailed discussions with Geoff and Marie Smith of Toronto. He has been invited by "Protestant" to assist with establishment of their recording studio and Marie could work with ACB as secretary. Marie probably has stronger office skills than any of the others listed. The problem is that they have significant hard currency requirements – and ACB feels this is too valuable for other purposes in view of exchange rates. We will discuss with the Smiths whether they can solve their hard currency problem from Canadian sources.

7. ACB Delegation to North America

Tentative arrangements have been made for four ACB directors to visit North America as a group in November. Proposed arrangements are as follows:

November 9th-10thAttend MEDA convention in Peoria, IllinoisNovember 11th-12thAttend SUN-U.S. planning meeting in Chicago areaNovember 13th-14th?Visit businesses in range of Chicago.November 14 - 17?Visit WinnipegNovember 18tha) Return to Moscowb) Individual itinerary based on particular SUN partnership prospects.eg. Maslow – Fresno re fruit processing Filev – Chicago to visit brother Semchenko – Amsterdam? Re printing partner Melnikov - ?
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The purpose of this trip will be to give ACB directors proper perspective on nature of potential SUN partners and may help us promote ACB/SUN concept. Expenses in North America will need to be ours.

8. A) Conclusions re: ACB

There is substantial interest in the idea, but there are some genuine divisions which will not be easy to bridge. People do not share information easy and not everyone has the same vision. There are also fewer significant Christian cooperatives than we thought. They now use the number 100, with many additional two or three-person operations who do not yet think in terms of ACB.

B) Visits in Moscow Area

1. ACB Board of Directors

We met at a retreat centre owned by the National Headquarters for Komsomal (Communist Youth). It is a beautiful lodge in the Moscow woods. There is a proposal to lease this facility to foreigners as hotel/retreat/conference centre. I agreed to finance a

three-month experiment if they can sign an agreement. The issues of the meeting have already been reported.

2. Victor Fast (Karaganda)

He was in Moscow to meet the truck from West Germany with Christian literature. He had customs problems so we failed to meet but had a long phone conversation. He is pleased about the progress on the printing press and will be actively involved in the October 19th-21st Shuchinsk meeting (regional ACB), where Neil Janzen and Vernon Wiebe groups will also be attending.

3. Dr. Cristoph Eichhorn

Deputy: Religious Affair Embassy of West Germany

We presented a proposal/request for Government financing to match existing funding for Karaganda press – should result in three presses if successful. This will require a parallel request in Bonn which we will ask Logos to do. Very good chance of success. If this works it could establish precedent/relationship for many more German credits for ACB members.

4. Dr. Bagdanov

Meeting regarding television programming of economic/ethical matters.

We had an inadequate translator and the meeting was a complete failure. Filev learned on this trip that for any meeting of any significance we need a quality translator or forget the whole event. I was the guinea pig – hopefully it will save others from grief.

5. Vitaly Ozira - Senior Advisor to Abalkan Commission.

(Ozira attended Harvard the same year I was there. He was registered at the Kennedy School of Government but took all or most courses at the Business School and we became friends. We assumed he was KGB.)

Filev and I spent a delightful evening in his home. He remains pessimistic about the nature of reforms proposed by the Government. He views Yeltsin as a positive new element since there is now competition between two ideas of how to introduce a market system. Yeltsin's pressure may enable Gorbachev to move more quickly.

6. <u>Alexander Zaichenko</u> – also advisor to Abalkan Commission and evangelical Christian.

We discussed usefulness of more pressure regarding ACB registration. He believes we should go local and take more time for national approval. We also spoke of recently introduced small enterprise law (don't have details). This is essentially a small to medium-size business which operates more like our corporate structure rather than awkward cooperatives. Small enterprises could make cooperatives obsolete in a few years.

7. Alexander Semchenko

In addition to ACB business we also spoke about "Protestant" activities. He was pleased that he received official approval #91 for his newspaper last week (after three years of printing). He also showed us the building for the new printing factory. His plans are for a low cost India-produced newspaper press \$100,000 and later a full scale book press in the multi-million range. He is seeking a US \$100,000 credit which he hopes to repay by printing for other foreign Christian agencies for hard currency.

Semchenko also received a request from an Afghani Sheik to propose a \$500,000 project which would be a gift from Afghani people. Apparently the Afghani felt he could trust Christians – but not government!!

There seem to be definite strains in the relationship between Alex Semchenko and Western Christian agencies. Alex, when questioned, felt that maybe they preferred to keep printing in the West since it justifies their existence. Alex is certainly capable of action, but it's unfortunate that East-West trust is lacking. I also don't pretend to understand everything.

8. Zaokski - Adventist Seminar/College/Agricultural Training Centre.

We went from airport (return from Krasnodar) directly to Zaokski and arrived 7:00 p.m. We met the principal of the school, dreamer, creator – most extraordinary individual – Michael Kulakov, Jr. They have completed two large buildings which would be significant on any Christian college campus in the U.S. and are building two more. Entire construction cost of \$1,700,000 rubles was raised by the Soviet Adventist Church. When Western churches saw what was happening, they supplied interior items like kitchen equipment and furniture.

They will undoubtedly be a major Christian educational institution in a few years. Dr.Mitleider of Utah, with apparently wide international experience, is heading a threemonth agricultural training program with 80-90 graduates per year.

9. <u>Sergei Kibirev – Adventist businessman from Novosibirsk.</u>

He is presently importing and selling personal computers with sales offices in ten cities of the USSR. He also designs large-scale integrated circuits. His new project is to bring in components for assembly of electronic items like audio and video cassettes.

He is an impressive individual with good contacts around the world and experience with handling currency and imports. His son was #1 in chemistry in the USSR and has a scholarship to MIT in Boston. He could be a candidate for ACB director for Siberia.

Kulakov and Kibirev will try to link us with interested Adventist businessmen in the West for purpose of participating in SUN.

C. Visit to Krasnodar/Maikop

1. Summary of Visit

My visa through Harry Giesbrecht was for Moscow and Leningrad only – everyone said "no problem to additions in Moscow" – don't believe it if you are in a hurry. Needless to say, many strings were pulled hard by many people but we were stuck.

We decided to buy a train ticket in rubles and I made a 30-hour trip to Maikop as a Russian. We bought four tickets (entire compartment) for a grand total of \$6.00 at the unofficial exchange rate. The lady conductor protested loudly at this great irregularity but after a small favor she instantly broke into smiles and asked if we wanted biscuits with our tea!

Filev and I worked hard at Russian and English during two nights and one day and became good friends. We tried one meal in the dining car where our tablemate was a Moscow hooker on her way to Sochi. After that we survived comfortably on a "Care" package thoughtfully prepared by Leona plus lots of tea.

Without a visa I would have to return by train. More detailed negotiations with officials in the South resulted in a visa which was good for a ticket – but included a promise not to make "official" visits in the local area. To assure our space on a flight – that also required special efforts – hard currency purchases finally did the trick. Part of the favor for arranging the visa was a children's Bible. I stayed with Filev, met his friends and neighbours, church, and generally had a fabulous time. The further one gets from Moscow, the better things seem to go– "Art's Theorem".

Maikop is in the heart of the "Kuban region" which includes an area where the predominately Mennonite Brethren colony of Kuban was located near the town of Nevanimisk which is near Pyatigorsk. The major centre is Krasnodar (1,000,000 persons). It looks like Edmonton in the 1960's with terrain like Fresno (flat and significant irrigation). Maikop is 120 km. east, adjacent to the foothills of the Caucasus Mountains, rolling land like Iowa and rain fed. The climate is similar to north-central California. There is a great variety of crops, food processing, as well as wood industry based on very substantial wood resources in the mountains.

One afternoon we visited the mountain area – as spectacular as the Rockies – but no development. There are many excellent sites for tourism as well as childrens' camps. We visited a quite impressive limestone cave – 2,000 ft. in length with impressive stalactites, etc.

2. Agricultural Overview

We met Mr. <u>Alexander F. Kuemjev</u>, Chairman of Agriprom; based in Krasnodar (tel. 523113 or 523579 and private 5700514). He is responsible for all farming, processing agri-business activity in the area – a total value of 12 billion rubles per year produced by 2,000 enterprises.

Some idea of output area:	
Vegetables	1,000,000 MT
Grapes	240,000 MT
Fruit	450,000 MT
Rice	600,000 MT
Sugar Beets	7,000,000 MT

They grow 120 types of fruit and vegetables and produce 40% of all canned goods in the USSR.

Poultry	118,000 MT
Eggs	1.5 billion per year
Meat	600,000 MT
Milk	2,000,000 MT

They presently relate to 60 companies from the West in one way or another. Kuemjev himself will be part of the senior agricultural delegation to the USA – October 6^{th} –26th.

He admitted that they lose 30-35% of crops due to all kinds of inadequacies. One Kolkhoz we visited (Lenin) said that they had bumper crops this year but maybe 45% got into bins!

They are willing to invite us, host us, show us anything. They mentioned several specific concerns.

- a) Poultry industry is performing poorly because of either inadequate supplies and/or knowledge of feed and additives.
- b) Low temperature freezing.

Waiting for experts from Taiwan to make proposal. For example, they produce 100,000 MT of peas which could be frozen but no capacity.

- c) Canning capacity and technology great deficit in capacity and know how need help!
- d) Pelletizing of animal feed. They have 600,000 ha. of a crop similar to alfalfa but no ability to pelletize.
- e) Hot water greenhouses experts presently in Holland to seek help to establish greenhouses. Need special seeds for this purpose.

We need to arrange a visit to this region by a variety of experts and people in these businesses to sort out ACB/SUN priorities. Virtually everything is for sale, for lease, available for joint venture or whatever. If we can define the right entry priorities, I believe anything can be arranged. I asked the Chairman some very direct questions about foreign ownership, ownership of property, etc. He is still afraid of some things, but said that today we could own 85% of most enterprises and he would be comfortable. Note: I made a serious effort in 1991 – 92 to purchase the flour mill in Millerova built by my Grandfather and Great Grandfather prior to WWI. It is still operating and negotiations went all the way to Anatoly Chubais – then near to the top of the new Russian Government responsible for privatization and a contact from Davos. In the end the idea failed because the Government would not privatize agro-industry.

In addition to agriculture, Agriprom is also responsible for the very substantial wood resources. In a small area there are five particleboard plants, two hardboard plants (one brand new), at least one paper plant and a great number of furniture plants producing various products.

3. Vladimir Ilych Lenin Collective Farm

We toured parts of the farm with a pleasant young man, the Chairman, Nicolai Petrovich <u>Yanushkavich.</u> The farm is 10 miles East of Maikop directly adjacent to the foothills of the Caucasus Mountains. It has good black soil, slightly rolling land and some beautiful natural ponds. They have 5,000 ha. of land and produce wheat, corn, sunflower and something called "raps" which is for animal feed. They do not irrigate - rainfall is in 700-800 mm. per year range.

They have 1,000 cows for beef and 1,500 for milk plus 6,000 sheep – no poultry. The farm is centered in the village of Kazhorskai and has 600 workers. The office is a copy of a Greek temple but the washrooms were Yukon 1897. They have 60 or 80 tractors and 50 trucks with extensive repair facilities. Barns and storage were old but functioning. He claimed wheat harvest in field this year was 5,500 kg. per ha. but only managed harvest in bin of 2,300 kg. per ha. When we asked why, he said inadequate equipment, methods, and people don't care! They claimed their "profit" was 1,600,000 rubles per year but Soviet accounting is not quite the same as ours!

They are trying a small experiment with individual farming. Two families run small dairy heads (one 10 head, the other 15) getting sileage and grain from Kolkhoz. They earn about 100 rubles per month per cow. He said they would individualize further but had no more small buildings suitable for that purpose.

This Kolkhoz seems to want to try some very different ideas. Filev claims it would be possible to <u>lease the entire collective farm</u> and operate on a commercial basis. That may be partially wishful thinking, but this could be an ideal location to take substantial control and try to individualize efforts to the degree that is practical. This should be studied carefully. Chairman very much wanted me to stay for shashlik dinner – I <u>committed</u> <u>delegation to accept his invitation</u>. Don't let me down fellows!

4. Sovkhoz Rodnikovskiy (State Farm)

This could better be described as a farm and agricultural complex. This is located in <u>Belorechensk</u>, 15 miles North of Maikop and site of a large chemical complex. They have 2,745 ha. of which 1,850 ha. are in crops. Their main function is the production of vegetable seeds for the region. In addition to seeds such as tomato, paprika, radish,

pumpkin, pepper, vegetable marrow, etc., they have 1,300 cattle, 350 ha. of wheat and 200 ha. of sunflower.

They now remove seeds from vegetables and either discard pulp or in some cases sell pulp to other processing operations. For example, they sell "paprika" seeds for 57 rubles per kg. Tomato pulp is sold for 192 rubles per ton. They would like to get into ketchup, tomato paste, juice production, etc., and are interested in partners.

They claim to organize some of their operation in "cooperative" form but translation was inadequate to fully grasp this idea.

5. Belorechensk Bible School

Filev's cooperative <u>"Décor"</u> has arranged a one-year lease of two good quality dormitory buildings (used for harvest labor) from Sovkhoz for use as a Bible School to be operated by Logos. They expect to open with 50 students in October, 1990. Filev would like SUN to relate to Sovkhoz since they have made Bible School possible.

This school will also offer a management program of two semesters of three weeks each beginning in March 1991. ACB will take some degree of ownership of this project and Zaichenko of Abalkan Commission will put together the academic program. They want to bring in a series of high-powered Soviet economists, etc., for three days each. If we could find a suitable professor from the West, that could also be a part of the program.

Note: This project was successful and later moved to St. Petersburg to become St. Petersburg Christian University.

6. Cooperatives

We visited three Christian cooperatives plus a household sewing factory and a fledging bank. The three cooperatives all produce identical products – very small moldings as face-decoration for veneer doors for furniture plants. All are very profitable. <u>Décor</u> (Filev) also has a brick factory with dreadful technology and equally dreadful quality of bricks. He claims to be losing money and badly needs equipment from the West to permit production of better bricks. (Warkentin in Shuchinsk and Prit in Rovno,Ukraine, also have brick factories and want new equipment). Cooperative <u>Vischt</u> produces moldings only but is looking for ideas for expansion.

The third cooperative is smaller and is trying two new products. One is a press to make decorative stampings for furniture. The other is a line to produce plastic bags for various retail and wholesale purposes. He paid 200,000 rubles for five-year old Czech equipment. It looked quite good.

There needs to be a program to help people start small with a greater variety of ideas. At the same time, the somewhat established cooperatives need Western partners, technical advice and access to hard currency.

7. Vera and her Sewing Factory

This was one of the most delightful visits of the whole trip. Vera is a young mother in her thirties with two antique sewing machines discarded by a factory. She makes a dark navy skirt in winter and a colorful wrap-around apron-type product in summer. Her revenue is about 3,000 rubles per week and I think quite profitable. Apparently there are many like her. She buys fabrics at 20 rubles per meter (makes one skirt), makes 60 skirts per week, and sells at 50 rubles each on a Sunday market. Demand far exceeds supply! Her problems are new machines, access to small supplies like buttons, thread, zippers, etc. With a little training and design help, some of these operations could grow into much larger enterprises.

8. Svetlana Tonkiekh

After getting into serious communication difficulty, we pulled the number one English teacher out of class for three days and did much better. In addition to gifts of new Testaments to her and the principal, they hope we will help with hard currency for an exchange for students to North America to learn English! Everyone is in the barter business! If we begin some program in this area, Svetlana could easily be persuaded to work for ACB or one of our related enterprises.

Note: On one occasion Svetlana and I were stranded for some period of time in the lobby of an office. She pressed her knee against mine and then asked if in our Western Society it was important to be faithful to your marriage partner. I decided to interpret the question as one of theoretical sociological interest and answered accordingly.

9. Furniture Factory (Krasnodar)

We visited one of five factories of a furniture group based in Krasnodar with 3,000 employees and output of 120,000,000 rubles per year. Emphasis seems to be upholstery furniture. The layout of the factory, the nature of equipment and the range of technologies actually significantly exceeded what Palliser has. Their biggest problem is the quality of certain materials – particularly textiles. The design and seating were also circa 1955. Although the product was terrible, it was not the fault of the factory. If materials could be improved, it could be very productive. Like everything else – it's also for sale!

10. Particleboard Plant in Arsheronsk

Note: We operate our own particleboard and melamine plant in Canada so this project was familiar and of personal interest.

The plant has 30 year old West German equipment producing 5 x 10 sheets (mainly 16 mm.) on a multi-opening press and also a multi-opening paper (melamine) laminating line. The lines were very automated. They buy plain paper in Germany through USSR organization <u>Technazell</u> for 1,200 rubles per ton – for paper which is 110-130 gr. per meter. They print on a three-color press (also have a four-color somewhere) then impregnate paper themselves.

Most product (84,000 m³ per year) is sold in laminated component form at a price of four-seven rubles per sq. meter. If they sell raw particleboard, the price is 125 rubles per cubic meter. There are five plants in the area (they call particleboard DSP) of which the Volga Donskai (I believe near Volgograd) has best quality. This plant has never exported anything.

There is one existing hardboard plant (DVP) in area and a brand new one is just opening. Since they have foreign equipment, they may need to export to pay for it.

11. Bank in Toolskya

We visited an emerging small bank in a town 25 km. south of Maikop. It is run by three ladies. The Chairman - Nadia – reminded me of Maggie Thatcher 10 years ago and equally tough – they will succeed! They are in process of applying for a full commercial licence (not cooperative) so they can do a full range of banking services. They need equity of 2,500,000 rubles and have half committed. They would welcome investments by Christian cooperatives or foreigners even if we end up with a majority.

Present law (as I understand it partially) allows deposits from public only equal to equity, but they can borrow 20 times equity from the Central Bank. Involvement in this project could be an inexpensive way to gain USSR banking experience. I have already written to John Kotouc (banker in Omaha) about this project.

D. Plans for Agricultural Tour

I very strongly believe that as Christians we need to intersect very directly into the food production/distribution chain. While the need is bottomless, we can nevertheless make our mark. It will be important that we focus ACB/SUN efforts to make it administratively and practically possible – then maybe spread out. The Krasnodar area has great potential, is accessible, has 60+ evangelical churches, and is a pleasant place for foreigners (good climate, mountains, Black Sea).

The other area with great need is Central Asia with its large areas with low rainfall. One problem will be the vast scale of projects there and the rapid emigration of Germans/Mennonites who form the bulk of the Christian population. Based on my travels and discussions to date, the following itinerary is proposed:

Tuesday, October 30	 Rostov Combine factory Donskai agri institute Krasnodar for night
Wednesday, October 31 Thursday, November 1 ` Friday, November 2 Saturday, November 3 Sunday, November 4	 Krasnodar area visit Maikop/Krasnodar; sleep in Maikop homes Maikop/Krasnodar; sleep in Maikop homes Excursion to mountains (review trip) Return to Moscow Optional visit to Zaporozhye to see Mennonite colonies
Monday, November 5	- Return to Canada

This trip could be important to our program and it is critical that we find the right participants. I believe everyone will be very pleased with the contacts and arrangements.

E. Some Observations On My Trip

This trip was different from the previous ones in that I traveled without my Logos cultural/ language escort and without any group. In fact, I did not speak to a Canadian or American for the entire two weeks! As a result I became more aware of the way in which the Soviets have to live day by day and the cultural differences came to the surface. I also became very close to Filev and others as a result of these conditions.

What came through to me on this trip is that business under our rules is simply impossible. The Soviet citizen who accomplishes anything deals with so many shortages and bureaucratic roadblocks that he must continuously be in a position of making something happen that doesn't want to happen. Petrol was a major crisis during our visit. In one instance we were 200 km. from home, low on gas, and we finally found a station with petrol – and, of course, a half-day line. We had the choice of blowing the day or trading the front spot for a package of Marlboros.

In Maikop no station had gas yet all cars and trucks were running. I finally asked Filev to show me his gas supply. The brick factory has a big tank filled by the military in exchange for bricks. A neighbour's garage had three 45 gallon drums where Filev went in emergencies. Probably there are more sources.

Moscow was also out of sugar but a magazine pointed out that the average Moscow household has <u>19 kg of sugar</u> in storage! My bet is that there is more sugar per capita in Moscow than Winnipeg or Toronto. Yet the shops had none. There is a Soviet expression "What isn't in the store is on the table."

There were many other examples, even more troubling. The official system simply doesn't work and there are a dozen alternatives. How do we speak of ethics in business? I'm not sure what it means in the USSR today.

The news in the USSR also needs some comment. They have a 9:00 P.M. broadcast with 40-45 minutes of solid major stories, most of them international. They included the "Oka" affair every

night plus excellent coverage on Iraq and every other major story. My assessment is that Soviet citizens get wider world coverage than Canadians today!

Immigration was another concern. We are all aware of the mass exit of Mennonites and some other Germans. What shocked me was the accelerating rate of departure among Baptists, Pentecostals, Adventists, etc. World Relief of the U.S.A. (National Association of Evangelicals) has negotiated for something like 1,000 Baptists to qualify as refugees and is airlifting them to the U.S. on charters this September. My guess is that the directors and senior administrators have not taken the time to visit churches and families in the USSR to evaluate the wisdom, the impact, and the legality of what they are doing.

The churches have further problems. Mennonites with German services are not attracting new converts – but neither are the Russian Baptists and others who don't have these excuses. There is a significant barrier to entry for new Christians – and unless someone figures this out, a very historic opportunity will be missed.

One encouraging sign on this trip was that more people were beginning to say that the reconstruction of the Soviet society and economy will need to be based on new, smaller units – not a "born again" giant conglomerate. This is exactly what ACB and SUN are about and I believe that our message will become increasingly welcome and relevant.

Art DeFehr September 9, 1990