Worse still, the Tomsk Supply Administration (<u>Tomsksnab</u>) is withholding payment for production delivered by the <u>lespromkhoz</u> in accordance with the State production order. The arrears amount to almost one and a half million. The Chulym people have not only been compelled to live on credit but to repay the bank at higher rates due to the delays forced on them. In effect, they are paying for someone else's failures and economic mismanagement. Moreover, they have been virtually deprived of subsidies.

The Chulym people rebelled. Fedorov sent a letter to <u>Tomsksnab</u> demanding a change over to direct financial dealings with customers and compensation for the cost of water transport and handling of timber from rivers to railroads. What's more, <u>Tomlesprom</u> was told that if the terms set by the <u>lespromkhoz</u> were not met it would refuse to raft, especially drift timber.

As Ostroverkhov said to me, the <u>lespromkhoz</u> (which has 1200 people) can live comfortably without floating any timber at all, nor does it need to log 150,000 cubic metres. A hundred thousand would be enough. If all the wood is processed intelligently and every chip is utilized, people will have a year-round employment. The better you make it, the better the price you can get.

"And if the government department doesn't want to break its ties with us, it can sign an equitable agreement. It is no longer in a position to block our progress toward the market."

The Chulym is steadily clearing a new channel for itself...

<u>Izvestiya</u> 30 July 1990 Page 2 (full text)