

revenue, it was a logical decision to make. The fact is that the finances of the port of Anadyr were in such desparate shape that it could not afford to keep one more ship. Here, as perhaps nowhere else, the administrative system has enormously affected the economy. When there was a much-publicized drive to open up the North as quickly as possible, regardless of cost, large stocks of realizable assets were accumulated in the Chukotka area, often with disregard for real needs. For example, fixed assets in the amount of 39.7 million roubles have until now accumulated in the port of Anadyr alone. That this is a great deal has only been felt now, for the short time the port has been operating under the conversion to full cost recovery and self-financing. Although the Far Eastern Marine Steamship Agency has taken the lion's share of the expenses on itself, setting the port's budgetary contributions for its capital assets at 2%, this percentage, nonetheless, represents about 800,000 roubles.

This is essentially a hidden subsidy. Imagine if the port of Anadyr were to lose the Steamship Agency's support and if it were obliged to contribute 12% of its profits, as the Pevek port does. What would happen then? All the port's profits would not be enough to cover the budgetary contributions for its capital assets.

Last year the freight flow fell by almost 25%. The pit on Nerpichaya Spit, where freighters from the port's fleet (mainly river motor-ships) loaded a mixture of sand and gravel for the town's construction projects, was closed for environmental reasons. The freight flow declined sharply, and it was decided to put two motor-ships into storage. They might have suffered the same fate as the Utesiki, but there were no buyers. Yet the port