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PEANUT HOLE POLLOCK POLITICS

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Petropavlovsk-Kamchatsky
Russia

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Dear Peter,

The pollock fishery has come to an end in Petropavlovsk-Kamchatsky, the Russian Far East's largest fishing port, and at docks and piers around town, or anchored in Avacha Bay, BMRTs, the workhorse factory trawlers of the local fishing fleet, rest after over 3 months of intense fishing. It was a good season for most of Kamchatka's pollock fleet, despite chronic fuel shortages that at one time or another left boats from nearly every fishing enterprise drifting in the water 'v ozhidanii bunkirovshika'--in expectation of fuel transports. 1992-1993's production numbers are impressive, and indicative of how much brawny catching capacity Russia has left even in these difficult times; "Okeanrybflot: 883 million rubles of product put out in the past week. The enterprise fleet caught 7 804 tons of fish, with another 2 093 coming from AO Akros and coastal fishing collectives. Rybkholodflot: The quantity of finished product on the ships of the fishing fleet for the week was increased by almost 20 thousand tons, which translates into earnings worth 8 billion rubles and change...Akros: At the moment of the temporary closure of fishing in the Sea of Okhotsk, total pollock caught added up to 71 thousand tons..." ('Seven Days in April', Rybak Kamchatki, April 9, 1993.)

The successful season means shipholds full of frozen product for export, and a bulwark against the economic tides and furies lashing the Russian Far East; it means that the labors of thousands of fishermen have guaranteed the lives and well-beings of their families for another year. Pollock boats from Kamchatka range far and wide in Russian waters throughout the North Pacific, the Bering Sea and the Sea of Okhotsk, and generally meet with no foreign competition for resources, except from those vessels in joint-ventures or directed fisheries fishing for quota Russian cannot catch for itself.

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Since 1925 the Institute of Current World Affairs (the Crane-Rogers Foundation) has provided long-term fellowships to enable outstanding young adults to live outside the United States and write about international areas and issues. Endowed by the late Charles R. Crane, the Institute is also supported by contributions from like-minded individuals and foundations.

While the Sea of Okhotsk fisheries for crab, cod, and salmon annually pump millions of dollars, and billions of rubles, into the Russian Far East economy, in recent history they have been surpassed in importance by the pollock fishery. The walleye pollock (*Theragra chalcogramma*), once disdained by fishermen as a 'trash fish', is white-fleshed and relatively soft. Although pollock makes up an important part of the Russian diet, it has now become a valuable export, and is processed at sea or shipped abroad in large quantities to make surimi, analogues of more expensive seafoods (like crab or lobster), and pre-processed fish products like fish sticks. Pollock wins the award for most important fish in the Sea of Okhotsk by dint of sheer volume alone. In 1991-1992, Russian Far East fishing enterprises were allocated 2 219 000 metric tons of pollock; close to half of that amount (1 079 000 mt) came from the Sea of Okhotsk. Precise allocations and catch figures for 1992-1993 were not made available to me at the time I wrote this article, but give or take a few thousand metric tons, they are roughly the same as for the previous season.

The pollock fishery is one of the critical indicators of the Kamchatka Region's economic vitality, all the more so during the modern Russian Great Depression, when export earnings are at a premium. In 1991-1992, Kamchatka's fishing enterprises and collectives caught 664 218 mt of pollock. With the price of pollock on the world market in 1993 running between \$300.00 and \$400.00 for fresh caught, about \$500.00 for frozen headed and gutted product, and \$600.00 for roe (note: these prices are very rough approximations, based on changeable market conditions, and they may fluctuate wildly during the course of any given year) pollock clearly generates huge hard currency earnings for the Kamchatka Region.

Just how much they earn can only be guessed at, since fishing enterprise profits are a 'commercial secret', and not subject to disclosure by Russian Federation law; and while the price of Russian Far East pollock is still officially set on the Ministry level of government in Moscow, the situation stands quite differently in the 'provinces'. According to a January, 1993 Resolution of the Russian Federation Committee of Fisheries Management, for example, fishing enterprises must ask no less than \$520.00/metric ton for headed and gutted pollock. Sources in the fishing industry say this instruction is widely ignored. "You can make the price for pollock go down mighty fast if you offer three hundred dollars cash a ton and throw in a trip to Seattle and a bunch of electronics," said one American fishing company representative during a recent visit to Kamchatka. "Nobody pays attention to the (Committee of Fisheries Management) prices."

With heavy competition by American fishing companies for resources in the United States' Exclusive Economic Zone in Alaska

almost completely excluding pollock fishing by third countries, and a 2-year international moratorium being observed in the Bering Sea's 'Doughnut Hole' fishery (where pollock stocks collapsed in the late 1980s due to unregulated fishing), 1993 has seen an almost predatory foreign interest in the Russian Far East's rich, relatively untouched pollock stocks. A confidential letter dated November 2, 1992 from one prospective Seattle-based investor to a highly-placed politician in the Kamchatka Region Council of People's Deputies, reflects the prevailing mood: "Best wishes from Seattle. (The politician's name), during your visit to Seattle in August of this year we discussed the project of an unfinished fish processing plant in the village of Oktyabrsky, which needs foreign investment to complete construction. We have learned that Oktyabrsky has its own pollock quota. As you probably recall, we have a catching/processing vessel, the '***** **', which (sic) would be very interested in receiving a quota, or in joint operations with the fishermen of the village of Oktyabrsky. Such a venture would provide the financial means for completing work on the processing plant. We would be most grateful to you if you would help us to contact with the village with the object of discussing possible opportunities in this area, and in general assist us in finding partners on Kamchatka with unutilized pollock quotas." The businessman, we may feel certain, was ready and willing to show plenty of gratitude for help in obtaining pollock fishing rights.

Most fishing activity conducted foreign vessels in the Russian Far East EEZ happens in directed fisheries under joint-venture contract, so even if getting a boat to work on an "unutilized pollock quota" may involve a little more gratification-seeking than is strictly seemly, the fishing itself will be (at least on paper) regulated by Russian Federation laws. However, the vast expanse of the Sea of Okhotsk--1 392 000 square kilometers in total--meant that when the Soviet Union established its 200-mile Exclusive Economic Zone in 1976, a small area--about two-and-a-half percent--of the Sea of Okhotsk remained international waters. This area, dubbed the 'Peanut Hole' (since it is open international water in the middle of Russia's EEZ, like the Bering Sea's 'Doughnut Hole'), falls outside of Russian Federation jurisdiction, and in the past two years has become the center of heavy, unregulated fishing by non-Russian vessels. Nobody has to ask for quota rights to fish in the Peanut Hole--factory trawlers pass freely through Russian territorial waters to a dab of open ocean, set their nets, and utilize as much pollock as they can, and they don't even have to show any gratitude.

The factory trawlers come to the Peanut Hole mainly from the People's Republic of China, South Korea, and Poland. Russia doesn't fish the Peanut Hole because, according to Russian marine biologists, the pollock migrate through there on their way to

spawn, and fishing them would destroy the spawning stocks. The Japanese, whose fishing relations with Russia have enough complications to begin with, have tactfully stayed away from the Peanut Hole so far. But the others are out in force. According to official Russian estimates, during the 1992-1993 pollock season there were as many as 140 factory trawlers from the aforementioned nations in the Peanut Hole at any one time. These vessels, claim Russian officials, caught over 500 000 metric tons of pollock (in February, during the height of fishing, some sources rather hysterically claimed as much as a million tons would be scooped up by 'foreign poachers' by the season's end. There was some basis for their concern. In 1991, it is estimated that between 1.3 and 1.8 million tons of pollock were caught in the Peanut Hole.). No matter what the final tally, it all adds up to big losses in resources and earnings for Russian Far East fishermen.

During an early April visit to the Kamchatka Region, Vyacheslav K. Zilanov, the Deputy Chairman of the Russian Federation Committee of Fisheries Management, said that in 1992-1993, unregulated foreign fishing in the Peanut Hole cost Russia 700 million American dollars in lost revenues. There are also serious questions about how much unregulated fishing the Peanut Hole pollock stocks can take before they collapse entirely, as has happened to similar stocks in the Doughnut Hole. "According to experts, foreign fishing is leading to an ecological catastrophe. We must stop foreign fishing for our resources." Zilanov said. ('The Hunt is On for Pollock', Vesti, April 9, 1993.)

On Kamchatka, local fishermen claim the unregulated foreign fishing in the Peanut Hole poses a direct threat to their livelihood, and have long demanded an end to it. Calls for the introduction of a moratorium have gone out to the Committee of Fisheries Management and Russian Federation President Boris Yeltsin from virtually every boat from each of Kamchatka's fishing enterprises; one such telegram urgently calling for action came from Petropavlovsk-Kamchatsky's UTRF, and was signed by the crews of 19 factory trawlers, five motherships, and a floating factory. Even the Far East Economic Cooperation Association (the coordinating council of governors from each of the Russian Far East's seven administrative regions) has gotten into the act. The Association wrote to President Yeltsin; "Every month, 50 to 70 foreign vessels harvest between 150 and 170 thousands tons of pollock (in the open area of the Sea of Okhotsk). Multilateral meetings and joint meetings with these countries do not yield satisfactory results. The Russian Government Resolution of September 1, 1992, 'On Measures for Preserving Living Resources and Protecting Russia's Fisheries Management Interests in the Sea of Okhotsk' has not solved the problem. Despite the measures called for in the Resolution, the number of foreign vessels has not lessened. Considering

the above, we request support for the Committee of Fisheries Management resolution on introducing a temporary moratorium on fishing in the Sea of Okhotsk." ('Concerning the Situation in the Sea of Okhotsk', Rybatskiye Novosti, 10 (66), March, 1993.)

The Sea of Okhotsk seems an unlikely victim of the economic and political collapse of the Soviet Union; but like the oil and metal flowing virtually unchecked from European Russia onto world markets, much of the fish caught legally in Russian waters leaves the Russian Far East through channels slimed with corruption. There is less interference by officials than collusion, an fact that does little to bolster the credibility of Russian efforts to stop the foreign pollock effort in the Peanut Hole. As one member of the Kamchatka Region Council of People's Deputies told me, "How do we expect others to respect our resources when we don't respect them ourselves? The only difference between what is going on in the Peanut Hole and in our own EEZ is that foreign companies don't have to bribe their way into the Peanut Hole."

That the Russian Federation cannot stop foreign fishing in the Peanut Hole further indicates the profound difficulties the Yeltsin Administration is experiencing in bringing order in general to the Russian economy, and specifically to Russian Far East fisheries; it graphically demonstrates just how harmful political confusion at the top is for people working and living in the provinces. The Yeltsin Administration's lack of authority in its own country does not go unnoticed abroad. The year's bloody, costly battles between the administrative and representative branches of government long distracted President Yeltsin from taking any concrete action to close down the fishery. Official appeals to the governments of the People's Republic of China, the Republic of Korea, and Poland to halt pollock fishing in the Peanut Hole languished for months this winter on President Yeltsin's desk, while fleets from these countries worked every day around the clock to fill their holds.

Disarray over the conduct of policy in the Far East in the Russian Federation Ministry of Foreign Affairs has lost Russia so much prestige that, no matter what actions Russia takes, there is little chance much will change in the near future. While the Russian Federation Supreme Court finally passed an April 16, 1993 Resolution "On Measures for Defending the Biological Resources of the Sea of Okhotsk", which unilaterally closed the Peanut Hole pollock fishery to foreigners nobody, for all appearances, paid much attention to it. One Kamchatka newspaper reports, "From the 17th to the 20th of April, airplanes and a vessel from the Northeast Coast Guard, led by Contra-Admiral Eduard Tkachenko, entered the Sea of Okhotsk's open region...Tkachenko related: At the extreme Northern edge (of the Peanut Hole) we found 17 vessels, 6 of which were Korean.

A little further South, 23 vessels were working, 20 of them Polish. In the same area, the tanker 'Beryozov' (port of registration Nakhodka, Russia) was fueling the 'Polacks'; also (in the area) was a Japanese floating factory taking product from the Polish vessels."

"The Admiral had difficulties answering the question, 'What did you do?', since both Border Patrol and Resource-Protection Services know about the Supreme Court Resolution only through newspaper reports. And if that's not enough, it hasn't even been fully published yet, so it turns out there's no enforcement mechanism. The Border Patrol should receive a definite order about possible actions (they may take) in case of a violation of the moratorium, and the Resource-Protection Services will get instructions from the Ministry of Ecology and the Committee of Fisheries Management. But Moscow, which is busy with political battles, obviously doesn't care about the Sea of Okhotsk." (The Cocks Have Crowed, Shouldn't The Dawn Break?, 'Vesti', May 3, 1993.)

Unresolved issues in the regulation of fishing in international waters complicate Russia's problems in the Peanut Hole. As Russian Federation Committee of Fisheries Management Deputy Chairman Zilanov pointed out in April, "Vagueness in interpretations of certain sections of the United Nations Convention on the Law of the Sea concerning the preservation of fisheries resources in international waters--which in many instances allow for scientifically unsound fishing--have forced the United Nations General Assembly to call a convention in 1993. And this is where the Russian Ministry of Foreign Affairs should muster its arguments in force!" Zilanov further asserts that, since the Peanut Hole is vitally important for the Russian Far East economy, and surrounded on all sides by Russian territorial waters, "we have the absolute right to independently decide how to preserve its resources." He points out that, since pollock only migrate through the Peanut Hole, they can be claimed as stocks originating in Russian territorial waters, and thus be protected under the Law of the Sea.

But closing the Peanut Hole will take time, and a great deal more effort and determination than a single, unilateral Resolution signed by Boris Yeltsin and Ruslan Khasbulatov. Deputy Chairman Zilanov concedes that a major diplomatic effort will be needed to convince foreign fishermen to stop working in the Sea of Okhotsk. The fight promises to be tough going. The heavy foreign presence in the Peanut Hole is as much driven by the loss of diplomatic clout and international prestige Russia experienced in the wake of the collapse of the Soviet Union, as it is by the economic effects of the 1992 moratorium on fishing in the Doughnut Hole. It is hardly a coincidence that the foreign fleets only began to show up en masse in the Peanut Hole after August, 1991, and that the worst offenders come from

nations whose fishing practices Soviet diplomatic and military might previously held in check. The dry brush-off by the Polish Ambassador of the Russian Federation Committee of Fisheries Management Chairman V.F. Korelsky's attempt to negotiate a cessation of Polish fishing in the Peanut Hole demonstrates the measured lack of respect former vassals feel towards petitions from their former client state. "Ambassador Chosek (writes one source on the results of a January 19, 1993 meeting in Moscow), speaking in favor of the idea of working out an international mechanism for the regulation of fishing in the central portion of the Sea of Okhotsk, nevertheless did not support the immediate introduction of a moratorium in that region. Instead, he proposed to jointly study the question of transferring most of the fleet working into the Russian economic zone under commercial conditions..." ('To the Point...' Rybak Kamchatki, February 19, 1993). It is difficult to imagine a Polish Ambassador saying anything remotely like this to a top-ranking Soviet minister ten years ago.

Another important factor in Peanut Hole politics is Russia's crying lack of enforcement capability. It is common knowledge that foreign fishing fleets brazenly plunder the edges of Russia's 200-mile Exclusive Economic Zone throughout the Far East, taking advantage of the fuel shortages and communications breakdowns seriously curtailing Russia's ability to catch foreign vessels fishing in territorial waters. The situation has gotten so bad that the one editorial writer in 'Ryabatskiye Novosti' advocates outfitting slow patrol vessels with missiles, which would easily 'outrun' the faster boats poachers use. In the Sea of Okhotsk, foreign fishing vessels in the Peanut Hole regularly wait for nightfall and then sneak out into Russian waters under the cover of darkness to illegally harvest pollock. These poaching vessels regularly avoid capture, and in fact, operate with some measure of impunity, safe in the knowledge that fuel-starved Russia cannot afford to keep patrol boats at sea with any regularity.

But the foreign fishermen don't always get away with it. In a recent, sensational case, the Chinese fishing vessel 'Geng Hai' (Leyoning Peliagic Company, Port Arthur, PRC) was directly observed on March 6, 1993, fishing with five other Chinese vessels at dusk in Russian waters outside of the Peanut Hole and detained by the Russian patrol boat 'Komandor'. Although the other Chinese managed to dump their trawls and escape into the Peanut Hole, the 'Geng Hai' was apprehended and towed to Petropavlovsk-Kamchatsky, and its captain brought to trial.

The trail, conducted in Petropavlovsk-Kamchatksky's City Court on April 14 and 15, offers a rare glimpse into the devious world of foreign fishing in the Peanut Hole. According to the Border Patrol, when the 'Geng Hai' was apprehended, it had 20 tons of freshly-caught pollock in its holds. Liu Dien Shen, the

captian of the 'Geng Hai', refused to follow the 'Komandor' until a Russian military vessel was called in as an escort. At trial, Captain Shen testified that he had not been trawling for pollock, but that one of the depth indicators on his trawl system had broken, and that he was only testing it to make sure it was working properly. At the trial, which was attended by representatives of Leyoning Peliagic and the PRC Embassy to Russia, Captain Shen displayed an almost total ignorance of Russian fishing law and the Russian language. As evidence, the 'Geng Hai' ship's logs, filled with discrepancies and inaccuracies, revealed a consistent pattern of illegal fishing, refueling, and offloading activity in Russian territorial waters.

The court, after listening to Captain Shen's obviously lame excuses--"After I brought the 20 tons of pollock on deck, I was planning to throw it back"--clearly was in a less than tolerant mood. A stiff sentence was imposed on Leyoning Peliagic Company and the 'Geng Hai' by the court: a 100 000 ruble fine for compensation; 10 213 701 rubles for damage to Russian Federation resources in the Sea of Okhotsk; 6 181 611 rubles for the downtime of the 'Komandor'; and 3 141 441 rubles for the 'services' rendered by the military escort vessel 'Brest'. The 'Geng Hai' paid a further \$200/day for dockage at the Petropavlovsk-Kamchatsky Fishing Port. The 'Geng Hai's' fishing gear--four trawls, 2 200 meters of cable, and two trawl doors--was confiscated, as was 382 tons of processed pollock, worth an estimated three million dollars. In total, the 'Geng Hai's' fishing trip into Russian territorial waters from the Peanut Hole cost Leyoning Peliagic Company an estimated US \$6 000 000.

It nearly cost Captain Shen his life, too. As it became clear to Prosecutor A. I. Shmelev during the court proceedings, if the 'Geng Hai' were to be confiscated by the Russians (considered the most probable outcome before the trial), Captain Shen would very likely face execution upon returning home to the PRC; and only this harsh prospect kept the court from taking this most decisive step.

Captain Shen will almost certainly spend a few years in Chinese prison, however, and in Petropavlovsk-Kamchatsky, the feeling is that notice has been served to foreigners fishing illegally in Russian territorial waters; as Prosecutor Shmelev said in his concluding remarks, "We've got to put these violators in their place." The challenge for the Russian Federation Ministry of Foreign Affairs before the beginning of next year's pollock season will be to make sure they don't have a convenient refuge like the Peanut Hole to retreat to in the first place.

All best,

Peter H. Christiansen

