

## INSTITUTE OF CURRENT WORLD AFFAIRS

MORE CLOUT FOR RUSSIA'S PROVINCES : KAMCHATKA AND THE POLITICS OF  
RESOURCE USE ON THE EVE OF ELECTIONS, 1993

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Petropavlovsk-Kamchatsky  
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Dear Peter,

Moscow's Bloody Sunday was a spectacle to send a chill up the spine of any freedom-loving person. Historians may later find justification for the sad events surrounding the burning of the White House, but from here, it looked like a Mafia shootout writ large, and nothing more. The two eternal riddles of Russian politics--*chto delat*, what is to be done, and *kto vinovat*, who is to blame--were solved the same brutal way they have been since the time of the Czars. What is to be done?--annihilate the enemy! Who is to blame?--the vanquished! Any optimism I felt about the resolution of the two year stand-off of political dual power--*dvoyevlastiye*--that has paralyzed Russia since the collapse of the Soviet Union vanished when I saw the violence used to bring it about.

The Russian Federation government's greatest contribution to democracy may be that, during its flabby and aimless reign, it has graphically shown the waste and futility of trying to direct all of the activities of the gigantic Russian state from a single center. President Yeltsin vanquished Khasbulatov, Rutskoi, and their followers, but the hardest tasks still lie ahead. Russia has changed in ways few predicted during the first flush of 'democratization' following the attempted August 1991 Coup. The old order is gone. The gray proletariat--the *narod*--has lost the habit of obeisance and grown sullenly restless. Politicians hatch vicious, lawless intrigues to get rich at the expense of a fragmented and exhausted nation. Like the countless monuments to Lenin and the dreary exhortations to heroic labor--Glory To The Soviet People! Huge Catches For The Motherland!--the 'new' Russia is littered with the rubbish of Soviet power. It must be cleared away for a viable new system of governance to be created. President Yeltsin has silenced his opponents and seized the levers of power, but he has no real

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consensus to move Russia forward, only an uneasy, false truce, bought with mob violence. Inflation now runs at about 30% a month and there is no end in sight to the economic crisis. The victorious democrats have scant breathing room to make reforms work. With patience running out, the *narod* waits for an answer to the third eternal question of Russian politics--*chto dalshe*, what next?

No region of the Russian Republic anticipates the answer to this question more eagerly than the Russian Far East. Seemingly overnight, the forgotten provinces have gained political clout; the phrase, "everything depends on the provinces" is heard more and more often from the Moscow-based mass media. The Russian Far East, which arguably suffered more from the political and economic instability of the past two years than any other Russian region, now stands to gain the most from Russia's first truly post-Soviet government.

An encouraging first sign is the creation of new government institutions. The Russian Federation Governmental Duma begins working following general elections on December 12, 1993. In tandem with the Federal Council (the second 'house' of the new parliament), the Duma promises unprecedented political representation to Moscow from the Russian Far East. The representation may not, strictly speaking, be democratic--Yeltsin decreed elections far too fast for many potential candidates to organize the ballot, and most openly right-wing parties are banned--but it will exist, and it will be quite different from the disbanded Congress of People's Deputies.

Real political strength has already devolved to federal subjects beyond the Urals. The Siberian Convention, based thousands of kilometers from the Russian Far East in the city of Novosibirsk, threatened to form an autonomous Siberian republic in late September. The Russian Far East also shows signs of heading its own way. The Khabarovsk Krai Regional Administration refused to acknowledge President Yeltsin's dismissal of the Congress of People's Deputies and the Supreme Soviet. The Primorsky Krai, its economic ambitions frustrated by Russia's outmoded Constitution, agitated for 'republic status'. These regions have calmed down considerably since Yeltsin flexed his political muscles, but don't bet the restive, anti-Moscow feelings have completely died. If, following the formation of the new Russian government in December, President Yeltsin proves unable to lead the nation out of its economic morass, these regions could threaten to go their own way again.

Just prior to the events in Moscow, The Interregional Economic Cooperation Association For The Far East And The Regions East Of Lake Baikal (commonly known as the Russian Far East Economic Cooperation Association) met in Khabarovsk to discuss the economic and political situation in the 'provinces'. The Association, made up of high-ranking delegates from all Russian Far East federal subjects (the Kamchatka Region was represented by Council of People's Deputies Chairman P.G. Premyak and Governor V.A. Biryukov), sent a Resolution to President Yeltsin on October 1, 1993, "On The Non-Fulfillment By Federal Government Management Agencies Of Russian Federation

Presidential Decrees, And Resolutions And Instructions Of the Russian Federation Government For the Far East And The Regions East Of Lake Baikal." The Association demanded immediate action on delayed government programs for the Russian Far East. The demands reveal both deep frustration with the inability of the Yeltsin Administration to make good on its promises to the regional administrations, and a desire to take control over their economic destinies. The Resolution reads in part,

"Presidential Decree No. 1118 (September 22, 1992), 'On Measures For The Development And Federal Support Of The Economy Of The Far East And The Regions East of Baikal', the September 9, 1992, Presidential Resolution 'On Measures For The Conservation Of Biological Resources And The Protection Of Russian Fisheries Interests In The Sea Of Okhotsk', and the May 9, 1992 Presidential Resolution No. 389 'On Measures For Stabilizing The Situation In The Fuel-Energy Industry In The Far East And Eastern Siberia In 1992, And The Period Until 1995'...are not being implemented."

The resolution further notes that instructions from Russian Federation Prime Minister Viktor Chernomyrdin for the economic and social development of the Kamchatka Region, Sakhalin, the Koryaksky Okrug, The Khabarovsky Krai, and the Primorsky Krai are being ignored.

"3. Bring to the attention of V.S. Chernomyrdin, the Chairman of the Russian Federation Government, the fact that his instructions to ministries and agencies resulting from his visit to the Far East are not being fulfilled.

"4. [We] propose to the Russian Federation Government:

"4.1. To complete and carry out measures for the implementation of Russian Federation Law Of The North (February 19, 1992) before January 1, 1994." <sup>1</sup>

"4.2. To take radical measures for improving the financial and bank operations for control of accounting between enterprises, and improving the turn around of operating capital."

"4.5. To decide the question of quota allocations and declarations for marine products [caught] within the 200-mile [Russian Federation] economic zone [and] sold for export, for all enterprises registered on Russian Federation territory, no matter what their form of ownership.

"To transfer to the Ministry of Foreign Trade the authorization to licence the export of all marine products in [Russian Far East]

regions, by petition of territorial administrations, for quotas [of marine products named] in all directives issued by an undivided Russian Federation Government.

"4.6 To confirm a system of differential customs export tariffs for the IV quarter of 1993, considering the cost of transport for the export of goods; confer the right to independently determine the volume of finished goods for export to [regional] executive governmental organs in the Far East and the Regions East of Lake Baikal." <sup>2</sup>

There are two striking features in the Association's Resolution. First, Russian Far East politicians want the right to determine their own economic destiny. To a large extent, federal subjects already distribute their natural resources and direct the regional economy by proxy. The process has been wasteful, disorderly, and quasi-legal--how many millions of dollars worth of Russia's fisheries wealth has been sent abroad through dummy corporations and outright theft in the past two years is anybody's guess--but weak leadership from Moscow has given regional politicians all the initiative they need. Now they want to make their autonomy official.

Second, the Resolution suggests that Russian Far East politicians want federal guidance in the 'commanding heights' of the regional economy; control of fuel prices, banking, consistent trade laws, and protection of fishery resources--key areas for bringing order and logic into a chaotic system.

Kamchatka's most important political party, Kamchatka's Choice--*Vybor Kamchatki* in Russian, is officially the Kamchatka Region branch of President Yeltsin's party, *Vybor Rossii*. *Vybor Kamchatki* demonstrates Kamchatka's strong inclination to gain greater control over natural resources for the benefit of the region. *Vybor Kamchatki*'s candidate for regional representative to the Governmental Duma is Sergei Sharov, the President of the Kamchatka Region Entrepreneurs' Union. Mr. Sharov, one of Kamchatka's 'new rich', is an outspoken local businessman and President of 'Kamsudo', an independent shipping and fishing company. He advocates dismantling the Soviet administrative-command system of resource distribution and allocation, particularly in the fishing industry. A staunch supporter of small and medium sized business, he believes the Kamchatka Region needs many small fishing companies, rather than a few, large, ineffective, government-subsidized enterprises. Local analysts consider Mr. Sharov to be the most likely victor in the December elections. <sup>3</sup>

*Vybor Kamchatki* has yet to publish a political platform. However, a recent appeal to regional entrepreneurs and civic organizations from the Kamchatka Region Entrepreneurs' Union, Kamsudo, and other business groups suggests the direction Mr. Sharov may take if elected to the Duma. The *Vybor Kamchatki* appeal calls for the formation of a 'transportation, financial and industrial 'people's' corporation, Pacific Ocean,

or *Tikhy Okean* in Russian. The appeal sounds a note of deep regional pride and Russian patriotism.

"...The economic crisis has become political. The interests of residents of the North are alien to the our government, not one the government's resolutions are implemented, our petitions and appeals either don't reach Moscow or aren't being accepted. [But] Moscow isn't Russia. Russia begins in Kamchatka, but everybody's forgotten that. The time has come for we Russians to remember who's land this is, that we're human beings and not a herd of sheep to be led around by 'our' leaders [from] the administrative-command system. It's time to stop building 'Dutch villages' (note: the authors have in mind the 'Holkam' joint-venture, which recently opened a fish processing plant in Ozernoi), Kamchatkan Switzerlands, and Japanese Hokkaidos. Giving all the economic advantages to foreigners is not how to love your own people. We've been thrown out onto our own means of survival: Kamchatka suffers from an energy crisis, people have no guarantee of getting the bare minimum needed to live...No frenzied injection of millions is going to save an economy that has been raped to death, we're not going to get any help from the West. We Russians can't hope that someone will come and solve our problems."

*Tikhy Okean's* Appeal lists a highly-politicized, 18-point platform, strongly advocating regional control over regional economic affairs:

"5. Unite all the owners of non-governmental means of transport, extraction, and processing of any product.

"6. Ensure small and middle-sized producers of a cheap and accessible transportation and raw materials.

"7. Give private individuals, small and middle-sized entrepreneurs the opportunity to work on the foreign market.

"11. Achieve allocations of mineral, raw, and fishery resources from the government and [regional] administration.

"12. Receive the right to export and import privately-produced goods on the basis of respect for the legal rights of Russians.

"13. Struggle against all forms of monopolism, in every branch of the economy.

"14. Halt the robbery of the seas, the [continental] shelf and the mineral and raw natural resources by monopolists and foreign companies.

"17. Fight for the defence of the interests of Russia's citizens and Kamchatka's Russian-speaking population, give advantageous rights in the development of manufacturing to Russian citizens, and secure national minority groups with the property belonging to the native population of Kamchatka by law." <sup>4</sup>

Other local politicians balloting for independent election to the Government Duma also express a strong desire to gain 'economic independence' for the Kamchatka Region. During a recent, informal interview, Viktor V. Yershov, a Kamchatka Region People's, the Chairman of the Kamchatka Region Standing Legal Commission, and a Duma candidate, told me,

"I believe in economic independence for Kamchatka. We should decide for ourselves what role the region will play in the Russian Federation. This depends on what the region's residents want. Do we want to develop, open ourselves up for gold mining, fully open the port of Petropavlovsk-Kamchatsky, and become a real participant in the North Pacific economy? Should we remain a closed military zone? Or turn the peninsula into an ecologically closed zone, with no development at all, as some people want? The key will be deciding what role the military should play here. But even if the military stays (which it will) we should pay only enough into the federal budget to support the military presence on Kamchatka. Whatever we earn for ourselves we should keep in the region to our meet local needs. The situation of us paying taxes to Moscow and getting nothing in return is absurd, and must come to an end."

Mr. Yershov wants an end to the monolithic, ministerial system of resource distribution. "We want normal relations with Moscow, based on the equal rights of federal subjects," he said.

I also spoke with Viktor Vasilievich Manzhos, another member of the Kamchatka Region Congress of People's Deputies balloting for independent election to the Duma in December. A former refrigeration mechanic with long experience in Kamchatka's fishing industry, Mr. Manzhos heads the Kamchatka Region Standing Economic Development Committee. During a recent conversation he told me,

"Kamchatka should become another Singapore. We're at the transportation crossroads of the Russian Far East and sit on a wonderful resource base. Kamchatka is poised to become a

significant player in the Pacific Rim economy. We should open the port permanently to foreign vessel traffic, open the airport to international air traffic, pass laws giving maximum advantage and protection to foreign investors, and build a complex of refrigeration warehouses and shore-based fish processing plants with them. We should encourage small and medium businesses to grow up around these things and develop our region. It's the best, and possibly only, way for us to survive."

Control over Kamchatka's regional fishery resources will be the key to financing independent economic development. An intriguing solution to the problem of getting resource distribution out of Moscow's hands, and under local control, appeared recently in an important article written by German Nikolaievich Stepanov, a well-respected professor at the Petropavlovsk-Kamchatsky Higher Marine Institute. Dr. Stepanov argues that the Kamchatka Region should distribute its fishery resources via open auction:

"The problem is that we have gone away from a centralized system, under which the USSR's fishing industry management assigned Kamchatka the role of a resource base. Capital investment, primarily in a heavy tonnage fishing fleet, was distributed by the [following] priority: Primorye [the Primorsky Krai], Sakhalin, and Kamchatka. And as a result, once economic reforms began, our region started with a clearly insufficient number of modern, shore-based, fish processing enterprises, mid-tonnage vessels for year-round work in [the Russian] economic zone, and an extensive, significant deterioration of the fleet. [Now] there's a complete lack of any real prospects for the fleet's renewal and replacement. [Kamchatka's] fleet can't even compete with Primorye and Sakhalin to use its the region's natural resources.

"In short, the situation has changed fundamentally: we've wound up with the resources, but most of the [Russian fishing] fleet is in the Southern Russian Far East. The situation in the Koryaksky Okrug is characteristic. Only about 5 percent of their catch comes through [their own] efforts, and so the Okrug is dragging out a miserable existence.

"Here's the other part of the problem. Last year fishing quotas were distributed fairly traditionally--there were government enterprises that needed to be supported, and a small number of commercial enterprises, which got about 8 percent of the quotas. This year the government enterprises have become joint-stock companies, that is, the same kind of commercial companies [as the others]. Correspondingly, the question of [resource] use comes up, and with it, resource distribution. By Presidential Decree, all natural

resources belong to the Russian Federation, and are under federal management. So what's left for [resource] users, and a populace with no hope of getting [government] subsidies in market-economy conditions?

"We've got only one option--to live on our own resources and our own industry. But here we run into the same problem we talked about earlier: our resources are more than our fleet can [catch], and so, in violation of the laws of market economy, the [Russian Federation] Law on Entrepreneurial Activity and elementary logic, resources are now distributed among the fleet [by the government] . But insofar as Kamchatka's got a smaller fleet than other Russian Far East regions, the resources distributed to us cannot bring us the profit that would allow us to create [our own] fleet. It's a vicious circle."

"The situation is basically absurd--if you've got the means of production, you get the resources. Let's say I get a shovel and go to Magadan to dig gold--well, it turns out that to mine, I've still got to get permission and permits, and they won't give you the means of production in this situation, anyway. But in the fishing industry they give them to you. In sum, Kamchatka catches [only] 25-28 percent of the [fishery] resources Dalryba distributes, although the resources are mostly Kamchatka's."

"Therefore, the first thing we propose to do is divide management functions. We'll leave the jobs of research, conservation, and reproduction of marine resources to the federal government. The Committee of Fisheries Management can establish a maximum allowable catch for resources on this basis. Payment for resources [will be] based on the actual costs incurred for the previous year's research, conservation and reproduction [effort]. The Committee of Fisheries Management [will] coordinate the efforts of resource users and take responsibility for the quality and justifiability of the prognosis for the maximum allowable catch."

"This is where local management comes in. The Kamchatka Region, as a federal subject, should pay for resources, and use the established allowable catch independently, distributing it among users, including other federal subjects and foreigners--all based on Kamchatka's interests. The [Kamchatka] Region should establish the quantitative and qualitative composition of [its] fleet autonomously, without considering [the presence of a similar fleet] in other federal subjects. Basically, the Kamchatka Region should



independently devise a resource use plan to fully develop Kamchatka."

Dr. Stepanov believes that this can be done simply, without establishing complicated criteria for users, or causing conflict of interest problems.

"It's much simpler than that: Any [economic] structure or person can buy a quota at auction, no matter how many vessels are on hand or even if there are any vessels at all. The scheme is simple and elementary: set a starting price, and then it's just like at any other auction. But the regional administration, bearing in mind the needs of the region and it's populace, can give preference [to some users]. First of all, to local users, especially enterprises obviously contributing to the local budget, or to shore-based enterprises needing development. After distribution [of quotas] among Kamchatka-based users, the remaining portion of the allowable catch gets sold on auction. And then it's who pays most. But again, by a system of preference. If you bring us fuel or produce, we can lower the price. If you can't, we take the difference between the price of the resource, the amount we must pay into the federal budget and a development fund for the Kamchatka fishing industry, and the price we take from you. And so we won't wind up in arrears."

Dr. Stepanov believes this system will halt the serious drain on Kamchatka's budget caused by the present system of resource distribution:

"Take the joint-stock company *Akros* for example. They lease vessels worth millions of dollars, and for years pay them off with [marine] products, [which are] for all intents and purposes our resources. *Akros* pays a property tax into the regional budget, but, just like that, at the expense of our resources, millions of dollars leave Kamchatka. There's nothing wrong with leasing, but it shouldn't be done that way. If you buy a quota at auction, you can use it to pay for leasing. Then Kamchatka will get its money. But at present [a user] gets a quota since he's got a fleet and he's got to pay for vessels for his collective with resources that could go to the *Lenin Kolkhoz* or somebody else. So he winds up feeding the capitalists." <sup>5</sup>

The Kamchatka Region's uppity desire to gain more control over its fisheries resources met with a lukewarm response from the Committee of Fisheries Management in Moscow. During a recent visit to the Kamchatka Region, First Executive Assistant to the Chairman of the Russian Federation Committee of Fisheries Management, Alexandr Vasilievich Rodin, commented to local journalists:

"Regions should actively participate in resource management, [but] this doesn't mean that somebody should get baronial rights--that's illegal. However, our fisheries policy should be based on regional participation and consideration of their opinion.

"But if we're talking about intergovernmental agreements, for example, then with whom will Japan sign contracts? With Kamchatka? Or Sakhalin? No, Japan will sign them with Russia, with the Russian Federation. But representatives from Kamchatka, Sakhalin, and Magadan should participate in negotiations, as part of the Russian delegation."

Mr. Rodin noted that, because of the political turmoil in Moscow, ratification of a new fisheries law for Russia has been delayed indefinitely.

"And now we have no idea when it will be ratified. Our proposed law is based on international maritime conventions, which we cannot ignore. We are bound by United Nations Convention [the Law of the Sea], and by local and regional agreements, [and] by participation in various international organizations. The [law] concerns questions of licensing and quota distribution, permissions for foreign vessels [to fish in Russian waters] and resource distribution. [Foreigners] insistently propose to buy resources from us, but we are against that; if we start doing that, the industry will collapse. The proposed [Russian Federation fishing] law was sent in all three variations to the major fishing regions, and if there are more questions about it--we'll send it out again."

Mr. Rodin opposes the idea of selling off quotas for Kamchatka's fishery resources at auction, with the possible exception of selling quotas for non-traditional fisheries.

"I'm against fishermen getting [fishing] quotas at auction. Because the rich will get richer and the poor will get poorer. It could end up with the all the rich in Primorye, and all the poor on Kamchatka. It's no secret that marine products made on Kamchatka aren't competitive with analogous products from Primorye."

"But we have little-researched, non-traditional fisheries. Some portion of those quotas could be offered by tender experimentally. [We would consider] not only the price, but who proposes the best methods for extracting the resource, assisting in its research, and assuring the local population of fish and employment. If we are speaking about this kind of auction, then we could conduct an experiment of two or three years' duration."

Mr. Rodin quoted prices for pollack next year as being \$630/mt for quotas 'caught in the water' in directed foreign fisheries, and \$690/mt for fish processed by joint Russian-foreign ventures. <sup>6</sup>

The Russian federal government's political weakness does not just mean the loss of control over former ministerial vassals among restive federal subjects. It harms fishery resources in the Sea of Okhotsk, where foreign vessels from Poland, South Korea, the Republic of China, and Taiwan continue to fish without restriction or concern for the damage they inflict to the marine ecology. These nations respond to Russia's offers to cooperate and regulate the fishery with brazen offers to buy cheap quota rights in the Russian Exclusive Economic Zone. One newspaper reports:

"Not long ago the Republic of Korea's Ambassador [to Russia] Kim Sok Kiu visited the Russian Federation Committee of Fisheries Management. Committee Chairman V.F. Korelsky noted that discussions concerned Russia's most important question, unregulated Korean fishing in the open section of the Sea of Okhotsk.

"The Ambassador, in part, said that in consideration of Russia's declaration [of a moratorium on fishing], South Korea unilaterally halted fishing in the open ocean of the Sea of Okhotsk in April, 1993. But the Korean government requests the procurement of quotas in the Russian economic zone on a commercial basis. Understanding the difficulties involved with obtaining additional quotas, the Korean side is prepared to pay \$300 per ton 'in the water' and \$315 per ton for fish caught in joint-ventures.

"Concluding the conversation, V.F. Korelsky emphasized that the Russian side understands the problems of Korean, Polish, and Chinese fishermen, but that our own problems aren't made any less by them. And we will never tie fishing in the open section of the Sea of Okhotsk to the procurement of quotas in Russia's economic zone." <sup>7</sup>

Because of Russia's lack of enforcement capability and diplomatic impotence, a potentially worse problem with unregulated fishing has developed in the Russian Exclusive Economic Zone in the Kurile Islands. Japanese fishing vessels, it is reported, routinely take advantage of Russia's weakness to violate borders and fish in the waters around these islands.

"Once it was said that we had locked borders. Probably that's the way it was. But with time the lock has rusted, and [our] border, at least the Russian Far East maritime one, is now wide open. Russia's

natural marine resources are being subjected to unheard-of poaching.

"In January of this year in the Southern Kurile Islands foreign fishing vessels (mostly from Japan) violated our territorial borders 556 times, in February--561 times, in March--801 times, in April--1120 times, in May--931 times, and in August--950 times. The amount of our fish and marine products are going overseas for free is anybody's guess. And, in fact, our Border Guards can do practically nothing to oppose the poachers: the Guards' vessels are hardly new, and fuel is in chronically short supply. So instead of detaining the violators who cause extreme economic harm to Russia, only their violations can be recorded."<sup>8</sup>

The fallen prestige among its maritime neighbors costs the nation millions of dollars annually in lost resources and hurts Russia's chances of forming a strong economy. Corrupt *apparatchiki* in the bureaucratic market economy are out of control. "In what country in the world is it possible for a ministry to be the co-investor in a joint-venture? In our country--go ahead," writes one Russian economist.<sup>9</sup> The Committee of Fisheries Management and their Far East associates may answer to their superiors in Moscow, but they are accountable to no one on the regional level, and basically do what they want. This fact is not lost on foreign investors, who count on the short-sightedness of their Russian partners to conclude questionable contracts for great financial gain.<sup>10</sup>

A session by the Kamchatka Region Standing Economic Development Committee met on October 20, 1993, to discuss a proposed 'Regional Development Plan for the Propagation of Salmon Stocks in the Kamchatka Region, 1993-1998.' I had the good fortune to be invited to the session as an observer. The proceedings offered a fascinating glimpse into the making of fisheries policy and long-range economic planning by the Committee of Fisheries Management in this distant corner of Russia. The plan, proposed by KOTINRO (the Kamchatka Branch of the Pacific Institute of Fisheries and Oceanography) Director M.M. Selifonov and *Kamchatrybvod* (The Kamchatka Region Fish And Game Inspectorate) Director N.N. Markov, has been preliminarily approved by the Committee of Fisheries Management and by Kamchatka Governor V.A. Biryukov. The Economic Development Committee met to make recommendations and comment on the merits of the plan.

Before beginning my discussion of the proceedings, I will cite the proposal at length. The Development Plan contains historically interesting material about the history of Kamchatka's salmon hatcheries. More than this, it is a 'white paper', intended for use by a very small group of bureaucrats and policy makers meeting to decide the use of Kamchatka's salmon resources well into the next century. The Development Plan outlines the future activities of the Russian-Japanese joint-venture fishing company *Kamchatka Pilengo-godo*. *Kamchatka-Pilengo-godo* enjoys the exclusive rights to build and operate salmon hatcheries on the Kamchatka peninsula.

"1. Salmon management on Kamchatka is based on the extraction of naturally-occurring salmon population. The most important commercial species is the 'gorbushcha' (*O. gorbushcha*), which is the least valuable of the salmon. For the past two decades it has made up 41.5-81.5% of the total annual catch. The numbers of other species are not great. Following the great depression [in salmon stocks] in the 1960s it has so far proven impossible to restore the populations of keta (*O. keta*) along the west coast [the Sea of Okhotsk side of the Kamchatka peninsula]; the total catch on Kamchatka [for keta] varies between 3.7-14.1 thousand tons per year. The stocks of nerka (*O. nerka*) sustain a catch of between 1.6-13.0 thousand tons, and for more than forty years catches of chaviycha (*O. tshawytscha*) have ranged from 0.7-3.2 thousand tons, and kizhuch (*O. kizhuch*)--from 1.9 to 5.9 thousand tons. The total catch for the most important commercial species have ranged from 11.6 to 30.7 thousand tons since 1980, with an average of 19.4 thousand tons. For a large territory with a great quantity of salmon rivers flowing into highly-productive seas and oceans these figures are remarkably low.

"At the same time, to passively hope for the natural expansion of salmon propagation can in no way be productive, considering that natural spawning grounds have been significantly diminished by careless human economic activity. Some populations have shrunk by magnitudes or even disappeared, and natural salmon returns [from spawning grounds] are only between 0.04 and 0.26%, depending on the species."

"It is widely known that the United States, Canada, and Japan, which have rich salmon resources, actively conduct the artificial propagation and reproduction of the most valuable salmon species, and due to this activity, support high catches. For example Japan [annually] catches 130-170 thousand tons of hatchery-raised salmon."

"Attempts to artificially produce salmon on Kamchatka have been attempted repeatedly beginning in 1914, and continue to the present. Since 1928 *Kamchatrybvod*, a [governmental] budgetary organization not participating in the harvesting, processing, and sale of salmon, has been the most important participant in [salmon] propagation. In sixty years it has constructed two salmon hatcheries--at Ushkovsky (built in 1928 and closed in 1988 as impracticable) and Malkinsky (built without an initial plan in 1983 and still under reconstruction at present). The productivity of the

latter is around 200 thousand hatchlings of up to three years' age chaviycha, keta, and kizhuch. Besides these, from 1952 to 1963 construction was undertaken on a salmon hatchery at Lake Azabache, but because of a mistake in the design, it was closed before beginning operations. In 1956-1957 fishing collectives were supplied with five primitive hatcheries. However, because these hatcheries were built without the necessary scientific site analysis, two of them were closed by 1957. The remainder survived until 1964, but were also closed because of high roe loss rates. In 1985 construction was started on a Japanese salmon hatchery on the Paratunka River by the USSR Ministry of Fisheries. This hatchery was proposed to be a scientific-research center, but construction of it dragged on, and at present it remains non-operational."

"The reasons for the unsatisfactory condition of artificial salmon-raising on Kamchatka are due to the poor organization of work, the use of primitive techniques for propagation, bad project design, substandard technical equipment, and most importantly, the total absence in the end result of the projects among builders and users. However, all these obstacles may be overcome, as convincingly showed by the experience of *Kamchatka-Pilengo-godo*, the joint Russian-Japanese salmon-raising and mariculture venture founded in 1991. During the course of one year, *Kamchatka-Pilengo-godo* managed to design, construct, and bring on line a salmon hatchery on the Plotnikova River, capable of producing 20 million hatchlings..."

## "II. Goals and Objectives.

"The basic goal of the program is to achieve a quantitative increase and structural improvement in Kamchatka's salmon stocks, and correspondingly, its harvest and the output of high-quality for the national and export market.

"The achievement of this goal is proposed to be attained by constructing state-of-the-art salmon hatcheries..."

The Development Plan calls for active propagation of keta, chaviycha, nerka, and a less aggressive program for other types of salmon. Eleven salmon hatcheries are to be constructed. The regions earmarked for salmon hatcheries are the Olyutorsky and Karagansky Gulfs (on the Sea of Okhotsk and the Pacific Ocean, respectively), the Kamchatka River basin (which enters the Pacific Ocean at Ust-Kamchatsk), the Paratunka and Avacha rivers (which enter Avacha Bay near Petropavlovsk-Kamchatsky), and the Bolshaya River (which enters the Sea of Okhotsk at Ust-Bosheretsk), and possibly, other small rivers on the West coast of the Kamchatka peninsula. It is proposed that, with time,

the Russian work force will be able to completely take over operations of the new hatcheries, and thus guarantee Kamchatka a commercially viable salmon population into the 21st century. The cost of this effort is outlined in Section V.

"V. Sources of Financing Efforts to Artificially Propagate Salmon on Kamchatka.

"The most important source of financing efforts to artificially propagate salmon on Kamchatka can be the salmon themselves. At present, the only way to earn funds for the construction of the salmon hatcheries is to use part of the extracted resource. This method is accessible and sufficiently effective: every thousand tons of salmon used in this way will return a harvest of 5-7 thousand tons over 20 years from the stocks produced at the salmon hatchery. In connection with the absence of indigenous manufacturers of the necessary equipment and construction materials, as well as an absence of sufficiently experienced design and construction of salmon hatcheries within the country [Russia], a foreign partner is necessary. The experience of constructing four salmon hatcheries on Sakhalin and Kamchatka with the participation of Japanese scientific consultants, equipment suppliers, and builders (working jointly with Russians) demonstrated that, to construct a single salmon hatchery with a production capacity of 20-30 million hatchlings, it is necessary to utilize approximately 5 thousand tons of salmon, caught by Japanese vessels and sold on the Japanese market."

"So the construction cost for a salmon hatchery similar to the one 'Ozerki' [on the Plotnikova River], built in 1992 by the joint-venture *Kamchatka-Pilengo-godo* and fully-equipped with everything needed for operation costs approximately 7.2 million United States dollars. This includes almost 2.5 million dollars paid to the Japanese construction firm that designed and built the complex and important sections of the salmon hatchery--water gates, the main building foundation, and rigging the hatchery equipment. By gaining experience and the necessary qualifications, these tasks could be accomplished by our own [Russian] efforts, with a corresponding lessening of hard-currency expenditures.

"Considering that, by using energy and labor saving devices can lower these expenditures, each salmon hatchery will pay for itself in 10-12 years."

During the session proceedings, *Kamchatka-Pilengo-godo's* Assistant Director for Science Y. S. Bassov quoted the total cost of each hatchery as approximately \$10 million

per hatchery. The proposal calls for the construction of 11 salmon hatcheries over before 1998, or a total expenditure of \$110 million over 10 years. Remarkably, although the Plan was discussed at a meeting of the Economic Development Committee, there was no line-item listing of any of the costs (research, materials, labor, transportation, salaries, and so on) associated with the hatcheries. Mr. Bassov made no attempt to justify why they should cost \$10 million dollars each, instead of \$11 million or \$20 million dollars, and nobody bothered to ask. Nobody asked how much the salmon harvested in Kamchatka's waters would fetch on the Japanese market. There were no questions about the economic wisdom of the proposed hatchery project, an extraordinary oversight considering the long-term, hard-currency cost of the hatcheries. The financing method for the hatcheries--ecologically harmful drift-net fishing by the Japanese for 'the salmon themselves' in Russian territorial waters--also passed without comment.

My hunch was that this was a very narrow group of bureaucrats meeting to rubber-stamp a program already approved far in advance by the Committee of Fisheries Management. A quick glance at the Russian co-investors in the program confirmed my suspicions. The Development Plan's sponsors include the Committee of Fisheries Management, the *Kamchatka-Pilengo-godo* joint-venture (which has *Kamchatrybprom*, a government enterprise, as its Russian partner), KOTINRO (whose Director, M.M. Selifonov, also sits on the Board of Directors of *Most Druzhbi*, a joint-venture fishing company), the Kamchatka Region Administration Executive Committee, and *Kamchatrybvod*. The lack of participation by private companies was explained (logically, considering Russia's unstable economy) by the fact that only the government can provide the backing needed to ensure the program's success, since a private company could go bankrupt.

The total lack of public participation in a plan that will determine the fate of Kamchatka's salmon fishery for decades was characteristic of the closed decision-making process. The Kamchatka Region Standing Economic Committee did, in all fairness, announce in the press that it was discussing the construction of salmon hatcheries for the Kamchatka Region, but this tiny item was buried among other stories. Citizens were not invited to share their opinion about the wisdom of investing millions of dollars, and allowing the Japanese to harvest thousands of tons of Kamchatka's salmon annually, to support the project. Russia may be undergoing 'democratic transformation', but this obviously does not include public dialog about using the nation's natural resources.

The Development Plan emphasizes the perils of allowing public officials to work simultaneously in commercial enterprises. The resources being used to finance the salmon hatcheries belong to the Russian federal government, and by extension, to all Russians. Many would even contend they belong to the Kamchatka Region. But the profits government enterprises make from selling these resources can be kept a 'commercial secret' according to Russian commercial law. I had the good fortune to read *Kamchatka-Pilengo-godo's* contract with *Kamchatrybprom*, and it includes a 25-year confidentiality clause.<sup>11</sup> Economic reform gets a good deal of lip service in this part of the world, but the



lack of any real, detailed accounting by Russia's free-market monopolists suggests financial dealings with a different purpose.

But I digress. Questions of economics aside, the session proceeded along with quite lively debate on a number of topics. Members of the Kamchatka Region Conservation Committee heatedly noted that no assessment of the ecological impact of the proposed hatcheries had been done as of date. They also questioned the wisdom of siting salmon hatcheries on the rivers emptying into Avacha Bay. Avacha Bay suffers from pollution by untreated sewage and petroleum products from Petropavlovsk-Kamchatsky, and may be contaminated by nuclear wastes leaking from military bases at Petropavlovsk-50.

KOTINRO salmon biologists also complained that they had not been shown the proposal prior to the session (unusual considering that KOTINRO Director M.M. Selifonov's signature was on it), when the salmon hatcheries depend on experience they have gained by years of researching salmon populations on Kamchatka. They cautioned against blindly using Japanese techniques without considering how to best adapt them to Kamchatka's unique climatic conditions, and strongly recommended monitoring returns from the proposed hatcheries. KOTINRO's biologists cautioned against allowing too much Kamchatrybvod participation in the plan, given the organization's history of wastefulness and inefficiency. Standing Economic Committee Chairman Viktor V. Manzhos promised to allow KOTINRO time to make amendments to the Development Plan, noting, "we want to take all viewpoints into consideration, and give everybody a chance to be heard."

'Giving everybody a chance to be heard' clearly applies only to select members of the nomenklatura. The session of the Standing Economic Development Committee I attended showed the persistence of the old style of conducting Russia's economic affairs. The case is hardly isolated. The Kamchatka Region will soon begin to develop its gold reserves at Aginsky. The decision to go ahead with this ambitious plan was not made by consulting the Kamchatka's citizens, either, although the residents of the Bystrinsky Region (near the Aginsky site) were consulted and 'agreed in principle' to the gold mining project. Still, opening the site for tender was rammed through a session of the Kamchatka Region Standing Council by People's Congress Chairman P.G. Premyak.<sup>12</sup>

Greater political representation from the provinces to Moscow, and the right to control economic destiny on a regional level, does not imply the magical emergence of a 'civil society' in the Russian Far East. Far from it. Most average people on Kamchatka would scoff at the idea of civil society. Their weary eyes have seen it all in the past eight years: *perestroika*, the collapse of the Soviet state, two years of fruitless economic 'shock therapy', galloping inflation, bloodshed and civil strife in October 1992...so many dashed hopes. But why should they hope? Who cares what they think? Nobody ever asks them. "Everybody's all the same, they're all communists, all they're going to do in this election is change seats among themselves, like in 1990," they say. They remain on the periphery of the events that shape their lives. No wonder so many of Kamchatka's citizens show so little interest in the political future of Russia. Voter turnout will likely be high for the

December elections, but recall that voting was required back in the 'good old days'. People knew their votes meant nothing then, and are right to suspect their votes mean nothing now.

Historians trace the reasons for the average Russian's political apathy back centuries, but with the present generation, going back just a generation or two is enough. In Russia, the rights of the state have always superseded those of the individual. The state has secret police and concentration camps, and reckons harshly with those who dare raise their voices. On Kamchatka, virtually everyone has a story to tell about the violence the government has visited on their families. One of my friends, a talented fisheries biologist, was born and raised in Siberian concentration camps. Another friend blurted out her family history one night during a dinner party, "My family came from Cherkassk, and was deported in the 1930s to Siberia. They were just loaded onto trains and sent out into the taiga. When they got there, it was the middle of winter, and there were no houses, nothing to eat, and they had to build everything. Half of them died." It seems like everybody I talk to has lost relatives at the hands of the government. For decades, millions of Russians were arrested, deported, and shot for the 'political' crimes, such as disagreeing with the local Party Secretary, criticizing the economy, telling a joke, or belonging to the wrong nationality. The Soviet state taught its children well not to challenge its power. Overcoming this distrust will take generations.

Local critics--ironically, many of them former communists banished to the lunatic fringe--wonder aloud how tolerant Russia's new democrats will be once they take office. Considering President Yeltsin's willingness to ban rival political parties and censure the press in the wake of Bloody October, the point must be conceded. Bear in mind that, at least in the 'provinces', Russia's new leaders have only despotic *apparatchiki* as their domestic paradigms. Few of them have had the opportunity to study critical democratic issues, such as the balance of power in government or reaching a consensus, and they care little for these niceties. Locals well remember how Kamchatka's first democratically-elected People's Deputies promised to change everything in 1990, and what happened to them once they took over their official duties.

Political power in Russia has a very seductive, dark side to it. Elected officials to Russia's next, 'democratic' government will enjoy 'executive immunity' from criminal investigations and charges, just like their Communist Party predecessors. Note Clause 5 in the Duma's basic document, 'The Decree On Federal Bodies Of Authority During The Transitional Period':

"Deputies of the Government Duma enjoy executive immunity for the entire duration of their commission (note: a term is 5 years). A Deputy may not be detained, arrested, or subjected to search except in case of detention at the scene of a crime. He may not be subjected to personal examination, except as necessary for the safety of other persons."

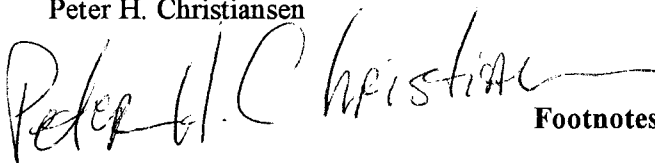
"The question of the annulment of executive immunity is decided by declaration of the Attorney General of the Russian Federation Governmental Duma on the basis of a special session of the house for review of the given circumstance."<sup>13</sup>

Although Deputies to the Duma are legally professional politicians and not permitted to occupy other paid positions during their stay in office, except for teaching, academic, and other 'creative occupations', these categories are not defined and will likely be broadly interpreted to include, say, well-paid private consulting for banks or influential industrial enterprises. Furthermore, being physically caught at the scene of the crime may be useful for prosecuting a theft or murder, but is of no help at all in apprehending economic crimes occurring in back rooms among nomenclatura cronies. Clause 5 broadcasts a loud and clear message, familiar to Russian citizens everywhere from the days of Soviet power. *Nashi*, ours, belong to a privileged group. We don't live according to the same laws as common citizens. If we have any problems, we sort them out among ourselves. The situation with the Federal Council is even less encouraging. Along with the same 'executive immunities' as Duma members, a Council representative can simultaneously sit on the board of directors of an economic enterprise or run his own company.

Not surprisingly, average Russian citizens regard democracy with extreme scepticism. In fact, they don't even really know what it is. Maybe it exists in America, but what's America to them? America exports Snickers bars and cheap action films to the Russian Far East, not the ideals of participatory government. It's a place Kamchatka's enterprise directors and politicians send their children to on vacation, a shopping destination for the privileged, a land of plenty far beyond their reach. For most people on Kamchatka, democracy has meant banishment into a frightening world of inflation and social uncertainty. They've gotten the freedom to complain, but not to improve their lot in life.

The saddest legacies of Communist Party rule are the deep schisms left in contemporary Russian society. Average Russians resent the vast inequalities of wealth and opportunity between the nomenclatura and the *narod*, and instinctively understand the monstrous deceptions keeping them poor and frustrated. Along with the devolution of power from Moscow, these inequalities and deceptions are becoming more obvious on the regional level. The tragedy is that, as Soviet power is replaced with the new Russian federalism, the schisms are getting worse. The aftermath of Bloody October may well turn out to be more dangerous than the events leading up to it in the first place.

Peter H. Christiansen



Footnotes

- <sup>1</sup> For a discussion of the Law of the North, see my September 30, 1993 ICWA newsletter, 'The Darker The Night.'
- <sup>2</sup> "On The Non-Fulfillment By Federal Government Management Agencies Of Russian Federation Presidential Decrees, And Resolutions And Instructions Of The Russian Federation Government For The Far East And The Regions East Of Lake Baikal", *Dokument, Vesti*, October 14, 1993.
- <sup>3</sup> Other Kamchatka Region politicians and social activists balloting for inclusion into the Duma include People's Council Standing Legal Committee Chairman V.V. Yershov., Standing Economic Development Committee Chairman V.V. Manzhos, Kamchatka Television Director V. Yefimov, and sociologist A. Lezdish. People's Council Chairman P.G. Premyak has announced his intention to run for election to the Federal Council.
- <sup>4</sup> "An Appeal To Entrepreneurs And Social Organizations" *Kamchatskaya Pravda*, October 23, 1993. According to insiders, *Vybor Kamchatki* is split with internal dissention. My discussion of Mr. Sharov and the activities of the Kamchatka Entrepreneurs' Union does not imply that this is *Vybor Kamchatki*'s political platform, but merely illustrates the political mood of the Kamchatka Region.
- <sup>5</sup> "Does Kamchatka Have A Future?" *Rybak Kamchatki*, October 1, 1993.
- <sup>6</sup> "A. Rodin: 'So Producers Aren't Squashed And The Treasury Gets Filled" *Rybak Kamchatki*, October 15, 1993.
- <sup>7</sup> "An Elaboration Of The Position" *Rybak Kamchatki*, October 15, 1993.
- <sup>8</sup> "The Border Is Open" *Rybak Kamchatki*, October 15, 1993.
- <sup>9</sup> "The Freest Market In The World" *Moskovskiye Novosti*, October 3, 1993.
- <sup>10</sup> I was somewhat startled when the Director of a Russian-Japanese export company based at the fishing enterprise *Kamchatrybprom* asked me recently about the world market prices for a number of marine products. He told me he regularly sells these products to his Japanese 'partners', but has no idea what they are actually worth.
- <sup>11</sup> See my December 17, 1992 ICWA newsletter 'Nomenklatura Dinosaurs In The New World Of 'Bizness'', page 6, for details.
- <sup>12</sup> "A Gold Inheritance" *Vesti*, October 26, 1993.
- <sup>13</sup> "The Decree On Federal Bodies Of Authority During The Transitional Period" *Vesti*, October 5, 1993.