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HIGH AIRLINE TICKET PRICES AND FUEL SHORTAGES HOLD KAMCHATKA  
HOSTAGE IN THE COLD SPRING OF 1993

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Petropavlovsk-Kamchatsky  
Russia

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Dear Peter,

When Maria's father died suddenly of a heart attack in early April, there seemed to be no way she could go to the funeral. Even though her parents seperated a few years ago, Maria, a student at the Petropavlovsk-Kamchatsky Music Conservatory, loves her father very much, and was deeply stricken by her sudden loss. But flying thousands of miles to Volgograd was almost out of the question. Because of the soaring cost of airplane tickets, a round trip ticket would cost her over one hundred and forty thousand rubles. That's only about 175 dollars at the current exchange rate, not much by Western standards, but for the average person on the Kamchatka peninsula, who earns about 27 000 rubles a month, the price is astronomical. "There's nothing I can do now but sell something and make some quick money," she said, shaking her head sadly. "Otherwise, I'm stuck here. I can't go anywhere."

Like thousands of others on the Kamchatka peninsula, Maria is an unwitting 'zalozhnik Kamchatki'--a hostage of Kamchatka, marooned by economic circumstances in Russia's outback. When the Yeltsin Administration freed fuel and airline ticket prices from government regulation in the fall of 1992, Western economic analysts hailed the move as part of the economic shock therapy necessary for creating a free market in Russia. But for thousands of Russian fishermen and their families on Kamchatka, who have suddenly lost the financial means to leave Kamchatka and visit relatives on the mainland, go on vacation for a change of scene, or attend family funerals, price liberalization has meant nothing but further hardship and discomfort, and more evidence that ineffective economic 'reforms' do nothing to make life better for the average Russian.

Lately, Kamchatka seems more like a trap to escape from than

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a place to live to a ripe old age. "Most people come here to fish for a few years, make a pile of money, and then leave," one fisherman's wife told me. "Still, a lot of them stayed on; the markets used to be stocked with an unbelievable assortment of goods, and cost of living adjustments made fishermen really well off. But with inflation, their savings have been wiped out in the last year or two, and they find they can't leave." The feeling that the jaws of the trap are closing, worsening living conditions, and the soaring cost of leaving, sends people scrambling to get out while they can. In 1992, the Kamchatka Region lost 13 100 residents permanently to 'emigration'--the first time ever in history the peninsula has lost population. Worse, 78 percent of the 'emigres' were of working age, and 33 percent between 20 and 29 years old. (From 'A Prognosis for Social and Economic Development of the Kamchatka Region, 1993', Vesti, February 6, 1993)

Kamchatka's residents have good reason to 'vote with their feet' against the failed Yeltsin Administration economic policies. Geographically, Kamchatka is a peninsula, but with no roads and railways connecting it with the mainland, it is for all practical purposes an island, to which everything must be brought in by ship or airplane. Isolation makes Kamchatka especially vulnerable to the disruptions in Russia's supply network caused by economic chaos; there is little reason to believe that an uncomfortable shortage today won't turn into a disaster tomorrow.

Kamchatka became an economic hostage because of its previous role in the centrally-planned Soviet economy. In a confidential Council of People's Deputies report on the state of Kamchatka's manufacturing base, one commentator wrote: "During the period of centralized direction for the economy, the branches of the manufacturing infrastructure--energy, prospecting for valuable minerals, transportation, communications and others, developed at the expense of the centralized budget according to the plans of ministries and departments. As a result of this a monocultural economy arose, expressing the dominant role of the fishing industry. All other basic goods with a manufacturing and technical purpose are brought in from other regions of the country."

"This monocultural economy, bringing in its wake resultant significant price rises characteristic for the North, proved particularly vulnerable to inflation, the drop in manufacturing, and the collapse of established economic ties."

"The Region's energy supplies, completely based around imported liquid and solid fuel, are in an especially critical position."

The deterioration of the Kamchatka Region's tanker fleet adds to the peninsula's energy woes. The Resolution continues, "The economic crisis especially hurts all means of transportation.

Due to the mass retirement of transport vessels, the Kamchatka Maritime Steamship line is in an especially critical state...The situation will only get worse in 1993, when two tankers will be retired...Direct appeals to the Government regarding this question have been ignored. At the present time, the question of supplying Kamchatka with fuel has not been decided for 1993. The Maritime Steamship Line will only be able to bring 70 thousand tons of coal to the region's coastal villages, against a total demand of 200 thousand tons, and the retirement of the two tankers directly threatens the existence of (many) villages (note: according to press reports, Ust-Kamchatsk went without heat or electricity for over a week in February, and most villages have been experiencing blackouts and brownouts for most of the winter). According to the Program for Renewing the Russian Fleet (1992-1995), the Kamchatka Steamship Fleet is to be upgraded, specifically, by one tanker (cost: 8 million dollars per unit), with a payload of 2 500 tons, per year in 1992 and 1993; but the finances of this program have not been confirmed at present."

"In sum, extraordinary measures must be taken, however, neither the (Kamchatka) Region, nor the Steamship Fleet has the means to purchase vessels, or pay for capital repairs of the existing fleet." (A Program for the Development of the Kamchatka Region's Manufacturing Infrastructure, 1993, Resolution of the 10th Session of the Kamchatka Regional Council of People's Deputies, undated)

Most city residents would be happier if the City and Regional Administrations kept their apartments regularly heated and lighted. Petropavlovsk-Kamchatsky needs about 1300 tons of fuel oil per day to meet its energy demands, and every drop must come in by tanker. The city has been living from tanker load to tanker load, barely scraping by between deliveries, and the strain is showing. According to Evgenii Klochkov, the Director of the Kamchatka Regional Power Administration, 'Kamchatenergo', Petropavlovsk-Kamchatsky should have 70 thousand tons of fuel oil on reserve; it now has none. "The main problem is the collapse of the central supply system," he said during a recent interview. "'Kamchatnefteproduct' (The Kamchatka Petroleum Products Department) used to bring petroleum to the peninsula. Now Kamchatenergo deals directly with power plants. We get bank credits to buy petroleum. On April 1st, electricity users owed us three billion rubles; half of that was owed by the military and creditors, and the other half by fishing enterprises. As a result, we can't return money to the bank, and they refuse us further credit. Consequently, there's nothing to buy the next load of fuel with. It's a vicious circle..." ('The Dark Night', Kamchatksky Komsomolets, April 9, 1993)

While waiting for the next tanker load, the city's daily fuel consumption has been reduced to 800 tons, and the city's power

is being turned off for 3 to 4 hours twice every twenty-four hours. During an appeal to Petropavlovsk-Kamchatsky's citizens broadcast on KTV April 8, Klochkov remarked that conservation measures were backfiring. "Instead of people limiting their consumption, they've actually been increasing it," he said. "As soon as the power comes on, they turn on their heaters full blast to heat cold apartments, washing machines to do the wash, and stoves to do their cooking. It puts a tremendous strain on the system."

The Kamchatka Regional Administration and Council of People's Deputies, thrown back on their own ingenuity like never before, are scrambling madly to meet the peninsula's energy needs. Governor Vladimir Biryukov and People's Deputies Chairman Pyotr Premyak recently went to Japan to sign a contract with the Bank of Japan, according to which the Kamchatka Region will buy a fuel tanker on credit in exchange for pollock quotas. They travelled to Iceland in March to consult with geothermal energy experts as part of a plan to construct a multi-million dollar generating plant near Mutnoye Volcano for Petropavlovsk-Kamchatsky--the only question is where to find the money for construction of such an ambitious project. The Council of People's Deputies also plans to revive Kamchatka Maritime Steamship's tanker fleet by getting foreign credits for repairs from South Korea.

But this is all in the future tense, and offers chilly citizens little comfort during the cold Spring of 1993. Far away in Moscow, in well-lit, warm rooms, President Yeltsin dukes it out with Ruslan Khasbulatov and the Russian Federation Council of People's Deputies over constitutions and referendums, issues with little practical meaning for people scrambling to stay warm today. For the record, the Kamchatka Regional Council of People's Deputies voted to support Yeltsin during the recent events in Moscow, as did 66 percent of Petropavlovsk-Kamchatsky's citizens polled recently. Surprisingly, 52 percent of them also supported the President and Government's current social-economic program, and only 10 percent of them said they trusted the Russian Federation Council of People's Deputies. ('If the Referendum Were Held Tomorrow', Vesti, April 6, 1993)

As usual, though, a wise-eyed, little babushka at the Central Market summed it up best. "Good Lord, I just wish they'd stop quarrelling and do something constructive for a change," she said as she handed me a potato dumpling. "I don't care who's in charge, so long as I've got heat and electricity. How much of this do they think people can stand?"

With warm wishes to all,

Peter H. Christiansen

