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PETROPAVLOVSK-KAMCHATSKY'S PORT OPENS TO FOREIGN SHIPPING, AND
PRIVATIZATION FEVER SWEEPS THE FISHING INDUSTRY

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Petropavlovsk-Kamchatsky
Russia

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Dear Peter,

The port of Petropavlovsk-Kamchatsky is officially open for foreign commercial vessel traffic. This long-awaited step, the hard-won result of a year and a half of concerted lobbying by the Kamchatka Regional Administration and Kamchatka Region Soviet of People's Deputies to the Russian Federal government, is one of the keys to the Kamchatka Region's future. With an open port, Petropavlovsk-Kamchatsky may now be poised to play an increasingly important role in the North Pacific regional economy.

Petropavlovsk-Kamchatsky's main advantage is its geographic location, which offers excellent access to some of the world's richest fishing grounds in the Sea of Okhotsk, the Bering Sea, and the North Pacific. The city has a protected, deep harbor, Avacha Bay, conveniently situated next to open ocean, and can easily be included as a stop along the 'trade route' for fish and goods moving between Alaska and Japan. During a recent visit to the peninsula one American fishing company executive commented, "In terms of location and access to resources, Petropavlovsk-Kamchatsky is in the same position that Dutch Harbor, Alaska was in fifteen years ago. The potential for development here is unbelievable."

The executive expressed a view common among foreigners visiting Petropavlovsk-Kamchatsky; but the problem in the Russian Far East fishery is not gaining access to resources--there are now more than fifty foreign vessels fishing in Kamchatka's waters--as in making the region attractive to investors interested in doing something besides merely extracting the oceans bounty.

Like the Russian folk-art 'matryushka' doll, which conceals nine identical dolls within itself, solving one problem in Russia never brings an end to trouble, but rather uncovers unforeseen

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difficulties, which often turn out to be more bothersome and maddening than the original problem.

Consider the 'opening' of the port. All of the Kamchatka Regional Administration's efforts to open Petropavlovsk-Kamchatsky's port have, in the end, led them right back to where they started. Moscow hedged its bets, and only opened the port conditionally. Under the new rules, the Russian Naval High Command requires a minimum 14 days advance notice to approve any port call by a foreign vessel. According to local news reports, "The Russian Far East Fleet High Command made the decision--as an exception--to permit the organizing of exceptional (in Russian 'razovi', or valid for one time only) port calls by foreign vessels bearing goods and foodstuffs for the (Kamchatka) region, thus maintaining the appropriate permission system excluding vessels conducting fishing operations, and those vessels, which are subject to restriction of port calls in Russian Far East ports by Russian Federation Resolution of September 1, 1992." ('The Port...is 'Ajar'', Vesti, 25-25 December, 1992.)

The reasons for the restrictions on Petropavlovsk-Kamchatsky's port are rooted in Kamchatka's historical position as Russia's most distant frontier. The only time during the last century that Kamchatka experienced a noticeable influx of foreigners was in 1907, just after the Russo-Japanese War, when the defeated Russian Empire granted Japan fishing 'concessions'. The foreign presence so threatened Russia that the Tsar sent waves of political exiles (called 'stolipinskie pereselentsi' in Russian, or Stolypin's settlers, named for Fyodor Stolypin, Tsarist Russia's reformist Prime Minister) to Kamchatka to counterbalance Japan's growing influence on the peninsula. ('Ten Years Before the Revolution', B.P. Polevoi, Kamchatka 1991)

In recent history, foreigners were completely excluded from the Kamchatka Region until a year and a half ago. Prior to this, Kamchatka was what the Russians call a 'zona'--a secret zone closed to average citizens. Only military personnel or citizens with special permission and passports were allowed onto the peninsula. The reason for the strict security was simple. The Kamchatka peninsula was (and still is) a highly militarized piece of real estate. A flotilla of the Russian Navy's nuclear submarines is based across Avacha Bay from Petropavlovsk-Kamchatsky in Krashenninnikova Harbor; many times while climbing in the hills that back the city, I have seen the sleek profile of a 'nuke' as it heads out into the Pacific. In the city, there are swarms of sailors from the coast guard and naval vessels tied up at the docks, and on the runways of Elizovo Regional Airport, the 'gateway to Kamchatka', ranks of MIG fighters are parked battle-ready next to their bunkers.

The heavy military presence made life exciting here in the good

old days of the Cold War; friends of mine remember Revolution Day (November 7), 1987, when the United States aircraft carrier 'Independence' paid a visit to Avacha Gulf, right outside the Russian 3-mile zone, prompting a Soviet naval contingent to scramble out of port and chase it away. The infamous overflight of Korean Air Lines Flight 007 in 1983 ended in shooting and tragedy. Ten years later, Russia is disarming, and Yeltsin and Bush solemnly signed the START Treaty in Moscow, but eight thousand miles away, national security remains the overriding concern. Petropavlovsk-Kamchatsky's press regularly features articles from the military bemoaning the growing presence of foreigners on Kamchatka.

Russians are frequently accused of xenophobia, but their nervousness regarding Kamchatka may be interpreted as simple prudence. In October 1992, Randall Lecoque, Consul General for the newly-opened American Consulate in Vladivostok, swung through Petropavlovsk-Kamchatsky for a get-aquainted visit. At a press conference, one Kamchatka journalist asked Lecoque why, if America and Russia had relaxed military tensions, there were still three American nuclear submarines posted outside the entrance of Avacha Bay. Lecoque replied that he knew nothing about the submarines, but that he would refer the matter to the American Naval Attache at the Embassy in Moscow; friendly relations do not, apparently, preclude the need for surveillance.

It is therefore no big surprise that foreign vessels calling on Petropavlovsk-Kamchatsky still need permission from the Russian Naval High Command (based in Vladivostok, thousands of kilometers away). The 'opening' of the port changes nothing for foreign commercial fishing traffic, which is excluded from the port by the new rules anyway, and needs the luxury of a quick in-and-out to take advantage of the newly-opened port. Unless the permission system changes, foreign investors from fishing and shipping companies are unlikely to be much interested in developing Petropavlovsk-Kamchatsky.

Marine infrastructure development is an attractive idea, especially as a complement to an open port. The opinion most often expressed here is that Petropavlovsk-Kamchatsky could become the major processing and transshipment center for ground fish, salmon, and crab from the northern waters of the Russian Far East to the markets of Asia and North America. The sizeable foreign fishing fleet operating in Russian waters around Kamchatka could use Petropavlovsk-Kamchatsky as a port to call on and meet its needs. The City of Petropavlovsk-Kamchatsky and the Kamchatka Regional Administrations could earn millions of dollars annually in port fees, customs duties, pilots, and related services--money desperately needed for reconstructing the degraded city infrastructure. Petropavlovsk-Kamchatsky's growing private-sector economy, which could provide goods and services to foreign vessels calling on the port, would also

greatly benefit.

A fully-open port would stimulate interest in developing Petropavlovsk-Kamchatsky's natural industrial base in fish processing, cold storage, and marine services. Foreign investment in these industries is eagerly sought by Kamchatka's politicians and businesses, since it would allow Kamchatka to gain control over its resources, and give local fishermen a fair price for the fish they produce.

According to unofficial estimates, fish coming from the Russian Far East presently costs three times less than the world market price. This is because the Russian Far East doesn't have modern processing plants, so fish caught here is taken somewhere else for processing. Processed fish is known as 'value-added product' in the fishing industry for a good reason; it fetches a better price, or value, on the market. In Kamchatka, fishing enterprises produce substandard product in outdated processing plants, and consequently get less value for their fish.

Until Kamchatka can develop its processing capabilities, it has little hope of realizing its enormous economic potential, and is doomed to 'razbazarit' (in Russian, to squander or fritter away) its resources, rather than sell domestically-produced, 'value-added product'. Frittering away Kamchatka's marine resources, by the way, suits many foreign fishing companies just fine--they harvest cheap fish and process it at home, reaping huge profits while avoiding the the enormous costs of building modern processing plants in a country embroiled in economic and political chaos.

To compensate for the lack of domestic processing power, some Kamchatka fishing enterprises export fish overseas for processing. This, too, is highly disadvantageous. For example, Moreproduct, the deep-water fishing branch of Kamchatrybprom, ships the cod it catches to Thailand for processing; the finished product, labeled 'Product of Thailand', is then sold in North America.

Effective, shore-based, fish processing requires developed transportation networks and cold storage to support it. Kamchatka never developed this infrastructure; instead, the fishing industry is completely oriented towards removing resources, and shipping them elsewhere. Russian ocean-going factory trawlers traditionally catch, processes, and freeze fish, churning out 40-kilo blocks of headed and gutted product, which are offloaded on transports for the mainland.

This practice used to be perfectly acceptable for producing fish for the Soviet Union's internal consumption, since most people ate fish in factory or institutional cafeterias. Russians traditionally eat fish fried or in soup, so there was no demand

for high-quality, fresh-tasting fish, as in North America or Japan. But times, and consumer tastes, are changing. As one housewife told me, "I want to buy nicely-packaged, fresh, attractive fish, not the thawed remains of something caught months ago. I want to buy fish for a few meals for my family, not for a month."

In the West, to ensure the high quality that the market demands, fish is individually quick frozen--IQF--or made into surimi. Both processes use expensive processing and packaging technologies that are only just now beginning to find their way into Russian Far East fishing enterprises. The Kamchatka housewife only has to wait until the entire Russian fishing industry retools itself to buy a nice piece of fish.

In the meantime, Kamchatka's politicians and businessmen are busy planning for the future. According to P. G. Premyak, Chairman of the Kamchatka Region Soviet of People's Deputies, the overarching design for Kamchatka is to "create a major transportation hub for the Russian Far East and the North Pacific."

To complement the 'open' port in Petropavlovsk-Kamchatsky, regional officials plan to open Elizovo Regional Airport to international air traffic. Plans are in the works to construct an international, commercial airport in Puschino. Puschino, now military airfield (with a concrete runway), was built specially to land the 'Buran' space shuttle.

These are grandiose plans. Opening the Kamchatka peninsula to international air traffic would diversify the local economy and bring great financial benefits to the region. Boris Sinchenko, First Secretary of the Kamchatka Regional Administration, said, "The opening of the peninsula (for foreign air traffic) would allow an amelioration by one half of the pressure on our fishery resources (in Russian, 'press na rybu'), that is, significantly increase our opportunities to earn hard currency without utilizing biological resources. To the point: in the Moscow press, statistics have already been cited (demonstrating) that landing one airplane at an airport similar to ours earns ten thousand dollars, about five million rubles and change at the present exchange rate. To say nothing of the hard currency that tourists and businessmen are ready to spend here, as soon as we establish a service infrastructure..." ('Welcome, or No Entrance for Unauthorized Personnel', Vesti, December 10, 1992).

Creating a transportation hub in Petropavlovsk-Kamchatsky, however, is far easier said than done. The logistic difficulties involved in bringing such a project to fruition evilly multiply, rather than diminish, in the face of the region's infrastructural deficiencies. Elizovo airport may be able to accomodate a Boeing

airliner, but the fun really begins after the plane lands. Creating the infrastructure necessary to meet the demands of Western tourists--hotels, restaurants, comfortable waiting rooms, and civilized bathrooms--is a project requiring many years of effort. Even installing the customs and immigration services needed to handle foreigners at Elizovo is beyond the present financial means of the Regional Administration. By means of comparison, Khabarovsk Airport, the air hub of the Russian Far East, is stretched to the limit coping with fifty international flights a week, while Magadan can barely handle two.

The best short-term alternative is to open the so-called 'Kamchatka-3' air corridor and allow foreign flights over Russian territory. 'Kamchatka-3' would bring the Kamchatka region a substantial profit for arranging overflight logistics, while boosting the safety margin for international flights between North America and Asia, since the corridor passes over land, rather than water.

Poorly-developed infrastructure hampers the integration of air and sea transport between Petropavlovsk-Kamchatsky's port and Kamchatka's airports as well. Elizovo Airport is 30 kilometers from Petropavlovsk-Kamchatsky by a single, two-lane, overburdened, degraded road, much too far for convenient air-sea cargo shipping; there is no railroad. Puschino airport is buried hundreds of kilometers away from any ocean in Kamchatka's back of beyond, and lacks the bare minimum services needed for commercial air traffic.

At first glance, the port of Petropavlovsk-Kamchatsky is in better shape than Kamchatka's airports. As the Russian Far East's premier fishing port, much appropriate infrastructure--docks, wharves, piers, and cranes--is already in place along miles of dredged, developed waterfront. Unfortunately, the port's existing shortcomings far outweigh its potential advantages.

Like most of the Soviet-built world, the port is ramshackle and run-down, made of rotting, disintegrating concrete and rusting metal. Virtually the entire eight-mile long waterfront needs upgrading, modernization, and restoration. There is only one small, container cargo dock for the entire city (and for the entire Kamchatka peninsula), at MorPort, or the Sea Port, and this is hardly a hotbed of shipping activity. A recent offload of 250 Japanese automobiles at MorPort underscores the problems facing Petropavlovsk-Kamchatsky's port.

The automobiles came in on a 'Ro-Ro', a special transport vessel that allows quick offloading for vehicles by 'rolling (driving them) on and rolling (driving them) off'. Under normal conditions, a 'Ro-Ro' can offload its entire cargo in a few hours, maximum. The offload at MorPort took over three days. According to Kamchatka Television reports and eyewitness accounts, outraged

automobile owners nearly rioted as they waded through thickets of paperwork, and watched helplessly as inexplicable 'technical difficulties' and disinterested dockworkers created further delays.

The city's shipyards, which could be put to good use repairing Russian vessels or servicing foreign vessels, are a mess. For example, the Lenin Shipyard (SRV, or 'SudoRemontnyVerf' in Russian) spent much of December and January suffering through an interminable series of slowdown strikes and shut-downs by workers demanding better pay and working conditions.

To make the port attractive for calls by foreign fishing vessels, as well as to provide the local fishing fleet with nets, rope, trawl equipment, and spare parts, Petropavlovsk-Kamchatsky desperately needs to upgrade its deteriorated fishing equipment factories, and improve its distribution network.

The Director of the Petropavlovsk Net-Making Factory commented during a recent interview that he would love to open up a warehouse outlet in Petropavlovsk-Kamchatsky, similar to the ones he had seen in the United States; a place where fishermen could simply come in and buy nets, trawl gear, and spare parts. "It would be much easier, and more economical, for me to bring in good American equipment by boat from Seattle", he said. "Now I get everything from a few factories near Moscow. It takes over 6 months for me to get my orders filled, a ridiculous amount of lag time. I'd rather bring everything here from across the ocean--and I'm sure everyone would make a profit. There's a huge demand for trawl equipment." The only problems? Hard currency for the initial investment in stock, and finding a West Coast partner willing to take a chance in an unknown venture.

To lessen the risks caused by the non-convertible ruble, political instability, and economic chaos, potential investors often ask for conditions that are simply impossible for Russians to meet. A recent visit by a group of Japanese investors further illustrates the situation. The investors visited the Petropavlovsk-Kamchatsky Fish Cannery and offered to import and install an entire new processing plant--if the Cannery coughed up thirty percent of the cost in hard currency before delivery of the new equipment. "It would be great to have that equipment and renew our plant", said the Cannery Director. "But there's no way we can come up with that kind of hard currency. Times are really difficult now, and we just don't have that kind of money. We have the potential to do so much here--our cannery has dock space for vessels with the deepest draft, you can tie up and offload right next to the processing lines, nothing could be better. And we have close to a kilometer of undeveloped waterfront, enough space to expand and put in modern, new facilities. But we need investment from abroad to make it

happen."

The Director, who is privatizing the Fish Cannery, thinks that the situation will improve markedly following privatization. "Before, we only worked to fill orders for the government, and we had no real say in anything in that structure. Now, at last, I've got a chance to be my own boss", he said.

And how long will it take to privatize? The process of privatization only begins after workers in a given enterprise--the 'kollektiv'--vote to go their own way. Then, the newly-independent enterprise is registered with the government, and sent off to sink or swim in the rough waters of Russia's new economy. For the Fish Cannery, approval will be pending about two months following submission of all the necessary documents to the City and Regional Administrations, not the speed of light, but relatively fast, considering that nobody has ever privatized anything in this country before.

Privatization, by the way, tends to very popular among the factory and enterprise directors in Petropavlovsk-Kamchatsky, despite the fact that they enter a maze of troubles, the legacy of the failed administrative-command system, with no guarantee that they can ever find a way out. Still, the majority of directors I have spoken with have no desire to go back to the old ways. "If I'm going to go down, I'll go down fighting", promised the Fish Cannery Director.

Commented one private-sector Kamchatka businessman, "The (breakaway) factory and enterprise directors are looking to make the best possible deal for themselves, but how things will look for the general population is another question entirely. The main hope I have (for privatization and economic reform) is that small groups of people, fellow-travelers by education and inclination, will begin to create independent companies. The biggest need to be filled now is service infrastructure--hotels, communications, and the like. If people can create this infrastructure, then foreigners will begin to look seriously at Petropavlovsk-Kamchatsky."

There are now 4,100 registered private enterprises in the Kamchatka Region, employing approximately 17% of Kamchatka's work force; most of these private enterprises are in the 'commercial structure'; the term refers mostly to people retailing goods, rather than producing them. Still, by all indications, privatization will have completely transformed the Kamchatka fishing industry within the next year.

The changes wrought by privatization are already enormous, and show no sign of slowing down. The formerly omnipotent government fishing enterprise, Kamchatrybprom, lost its main 'vassals'--the present-day enterprises Tralflot, Rybkholodflot, BOR, and A/O

'Akros, and the Lenin Kolkhoz--during the perestroika years, and later, during 'degovernmentalization', many of these enterprises later decided to privatize entirely.

Now Kamchatrybprom's remaining industrial assets are choosing to privatize and go their own way, including the Tin Can Factory, the Fish Cannery, and many of the distribution networks, shops, and material bases that Kamchatrybprom used to control. According to an anonymous source in Kamchatrybprom, the former industrial giant may find within the the next year that it controls only Morflot, its newly created deep-water fishing branch. "Kamchatrybprom only has quotas to fish for next year, and they even had a difficult time getting that", said the source. "It's possible that they won't even get any quotas next year."

The fall of 'Kamchtrybprom' has been a mixed blessing for Kamchatka. According to unconfirmed reports, some of Kamchatrybprom's fishing collectives in the more remote regions of Kamchatka voted to go their own way, and have found the going far tougher than they expected. According to an unconfirmed report, in Ossora, a one-factory, town on the Bering Sea coast, nobody has worked for over four months. The town's inhabitants, who are nearly completely dependent on the outside world for food and fuel, are marooned and living from hand-to-mouth, with little hope of a better future.

In Petropavlovsk-Kamchatsky, less centralization should ultimately mean a more attractive climate for foreign investors, who will be able to deal directly with individual factory and enterprise directors, rather than through the monolithic, inflexible administrative-command system. There are new games in town, with new players and new rules, and the old powerhouses can't rig everything in their favor anymore; but, as recent events show, the old system of patronage will not die a quiet death, and the old patrons do not suffer upstarts lightly.

Privatization on Kamchatka has led to the formation of four new, small fishing enterprises, each owning one or two vessels. The four new fishing enterprises are 'Pelingator', 'Kamchatsudo', 'Sozhgoi', and the Kamchatka Native People's Association. Each of these independent enterprises owns only one or two vessels. On January 15, 1993 the newly-created Kamchatka Union of Independent Entrepreneurs met with members of the Kamchatka Regional Administration, the Kamchataka Region Soviet of People's Deputies, and representatives of Kamchataka's largest fishing companies (including the Lenin Kolkhoz, Rybkhodflot, Tralflot, and A/O Akros) to lobby for greater quota shares.

According to M.S. Timoshenko, Chairman of the Kamchataka Fisheries Committee, "The independents will be awarded quotas on the basis of their catching capacity, and we will not award quota shares

to private enterprises without vessels. We will further take into consideration whether or not the independents plan on investing their profits into Kamchatka when we determine quota shares." The Committee prohibited the independents from purchasing vessels less than five years old, "In the interest of upgrading Kamchatka's fishing fleet." ('Entrepreneurs, Unite!', 'Vesti' January 15, 1993)

The new Independent Entrepreneurs Union proposes a number of measures to gain political clout in Kamchatka's highly competitive fishing industry. According to Union Vice-President Sergey Sharov, the Union's first task is to provide Kamchatka's citizens with information about entrepreneur's investments in the economy of the peninsula. Sharov hopes to create an independent television network and newspaper, and considers independent participation in local politics mandatory. The Union has, in effect, founded Kamchatka's the first independent business lobby to defend their interests.

The Union will not manage this without working the system. According to news reports, "The theme of cooperation occupies a special place (in relations) between the Entrepreneur's Union and other elements from the new economic and the Regional Administration. 'We are completely dependent on the Administration for access to resource and quotas', said Sergey Sharov. 'For example, the Administration promised eight ships from Kamsudo a total catch of only 100 tons of pollock, and one hundred and fifty tons of sole and cod."

"'With quota shares like that', chimed in (Union) Board Member Vladimir Demchenko, 'I can barely get a hook baited.'"

"The Union agrees that it must not request, but immediately demand, concrete measures in support of entrepreneurs from the Administration, put them on at least an equal footing with government enterprises in guaranteeing them quotas for natural resources."

"It is completely obvious that real competition from free entrepreneurs with the traditional Kamchatka monopolies, (fishing) bases, and fleet directorates will not only halt the rising price of fish products, but lead to their lowering. This is exactly what the government structure is worried about..." ('Entrepreneurs, Unite!' Vesti, January 15, 1993)

Given the rate of inflation and the costs of operating a vessel, the Union's claim that it will somehow manage to lower rising fish prices is probably spurious. The really disturbing news from the above dispatches concerns the Union's quota allocations, which give them fish worth a few thousand dollars at most, and the restriction on vessel purchases, which effectively blocks the entrepreneurs from going into business in the first place,

since a new vessel costs millions of dollars.

Is it wise to put the brakes on privatization? Some anticipate the 'atomization' of Kamchatka's fishing fleet into tiny companies, each with one or two vessels, as a logical conclusion of privatization. Opines one commentator, "...Kamchatka's fishing enterprises could collapse (entirely) if privatization is not restrained at the enterprise level of organization, but logically becomes the privatization of separate factories, refrigeration complexes, and particularly vessels."

"In the near future, professional fishermen will understand that, since absolutely everything, including diesel fuel, is going to have to be bought by them anyway, and not purchased by order (po zayavkam), it makes no sense for them to have management structures like UTRF, Okeanrybflot, Rybkhodflot, and so on. All the more so, since, on the one hand, it is known that in these 'new' structures there are now over 6 thousand managers and suppliers, versus only 2 thousand in the 'old' Kamchatrybprom. On the other hand, the total catch has fallen to one-third of the 1990 catch. Having understood that, (the fishermen) will privatize, even against the appeals of their present leadership, which in its own turn doesn't heed the call to maintain a common front in the face of general collapse." ('Privatization, Kamchatka Style', Vesti, Dec. 10, 1992)

Rather than creating a common front, however, Kamchatka's traditional fishing enterprises have reacted to the extremely fluid situation by squabbling among themselves for quota shares. On January 18, 1993, quota limits for 1993 were determined for Kamchatka's fishing fleet at a meeting of the Kamchatka Regional Fisheries Committee.

According to press reports on the proceedings, "The meeting's agenda consisted of only three points, and the first two of them, the confirmation of the general principles for distribution of natural resources for 1993 and the proposal review from enterprises for the purchase and reoutfitting of vessels, took up comparatively little time and energy, and were accepted peacefully, and even with good will. But the most interesting and important one, the one which the representatives of the big fishing enterprises gathered to discuss, was the third point on the agenda, the confirmation of catch limits for the upcoming year."

"Almost all the quotas were distributed quickly, as long as they did not concern Kamchatka crab. And here, as they say, the axle hit a rock. And there was indeed something to argue about, since at the present time Kamchatka crab is the best and almost only source of hard currency, upon which depends the fiscal health of (Kamchatka's) fishing enterprises."

"The big loser in the argument turned out to be the Lenin Kolkhoz, which had its catch limit for crab cut by 500 tons, while others had their limits cut by only 100 tons. The Chairman of the Kolkhoz, V.Z. Drachev, demanded an explanation for the unfair distribution. His attempts to prove that the Kolkhoz is the leader in the (crab) field, and that it represents not only a single collective, but a village with 9,000 inhabitants, were not taken into consideration. By vote it was decided to pass the problem to the Committee's Working Group for review, despite the fact that the Working Group's members are of the opinion, that they cannot solve the problem. At last, the Kolkhoz Chairman accused M.S. Timoshenko, the Committee Chairman, of 'giving A/O Akros the opportunity' to sell his crab to the capitalists or offer it to me for a set price', an accusation with some truth in it. In fact, it is possible to say with certainty that nobody on the Commission doubted that that was how matters stood, and would stand. So it was quite surprising when the Committee decided to prohibit the sale or transfer of quotas between enterprises." ('A Quota is a Quota', Kamchatskaya Pravda, Jan. 19, 1993)

The winter of 1993 has not been kind to Kamchatka. The uncertainty privatization and quota disputes wreak in the fishing industry resonates throughout the lives of the peninsula's citizens. With the demise of the traditional fishing monoliths, workers have lost their patrons, often with near-catastrophic results. Kamchatka has been short of heating fuel since the fall, and in Petropavlovsk-Kamchatsky, entire neighborhoods regularly go without heat or water for days. With fishing enterprises unable or unwilling to bring in heating fuel for their apartments, the task falls on the shoulders of inexperienced, private companies, or the overburdened City and Regional Administrations.

Not far from Petropavlovsk-Kamchatsky's Central Market, there is an old wooden barracks, owned by Kamchatrybprom, housing families, children, and elderly women. The barracks, a shabby, two-story wreck, has been without heat for the entire winter. The barracks' unfortunate dwellers have appealed to both Kamchatrybprom and the Regional Administration for help. Their appeals were ignored. KTV reported (January 19, 1993) that Kamchatka Govenor V. A. Biryukov dismissed them, saying, "Kak oni zhili, pust tak i zhit"--Let them live the way they've been living. Kamchatka in 1993 still has a long way to go to the future.

Best regards,

Peter H. Christiansen

Peter H.
Christiansen