

## Argentine-Soviet Fishery Relations Reviewed, 1966-88

Argentina and the Soviet Union have had a long, but volatile history of fishery relations, which have ranged from close commercial exchanges to tragic confrontations at sea. The Soviets have long been interested in the rich—and underexploited—fishing grounds on Argentina's Patagonian shelf. The Argentines, however, have been very protective of their fishery resources, and successive Governments hesitated to permit foreign fishing. Even so, after being expelled from Argentine waters in 1967, the Soviets repeatedly tried to negotiate an access agreement.

Initially inconsequential cooperation agreements, signed in the 1970's, were finally supplanted by the conclusion of an actual access agreement in 1986. Argentina is currently the only Latin American country permitting significant Soviet fishing within its 200-mile limit, although unconfirmed reports suggest that the Soviets signed an access accord with Peru in early December 1988. Under the terms of the Argentine agreement, the Soviets are permitted to catch up to 180,000 metric tons (t) of fish in Argentine waters annually. Although the agreement has been widely criticized in Argentina, the Argentine Government announced on 30 October 1988, that the agreement would be renewed for a third year.

### Soviet Distant-water Fishing Overview

The Soviet Union was the world's second most important fishing country in 1987 (behind only Japan), recording a catch of almost 11.2 million metric tons. About 30 percent of the Soviet 1987 catch was taken in distant-water fisheries (Tables 1, 2). The distant-

water catch has declined in recent years. Distant-water fishing represented more than 40 percent of the total Soviet catch during the early 1970's, but then declined due to the proliferation of 200-mile claims in 1976 and 1977. The Soviet catch in 1978 was only 8.9 million t, more than a 10 percent decline from the 10.1 million t taken in 1976. The Soviets partially compensated for the loss of access to distant-water grounds off other countries by intensifying fishing effort in their own coastal areas. Coastal catches increased to a record 7.2 million t by 1984, but have since declined. Most of this expansion was focused along the Soviet Union's Pacific coast because the Soviets and various European countries were already

heavily fishing stocks in the North and Barents Seas.

The importance of the distant-water catch to the Soviet fishing industry required Soviet fishery officials to develop new fisheries and negotiate access agreements to avoid long-term catch declines. As a result of these efforts, by 1984 the Soviet fishing fleet was breaking its catch records set prior to the proliferation of 200-mile regimes. The Soviets were unable to retain access to North American grounds because of strict U.S. and Canadian enforcement efforts. This setback, however, was partially offset by sharply higher catches off Latin America and Antarctica (Fig. 1). The Soviets conduct active international fishery relations and, next to the Japanese, have the most complex network of bilateral fishery relations. Their access and joint venture agreements have been primarily with developing countries, especially African countries.

### African Grounds

After being expelled from Argentine grounds in 1967, the Soviets began to

Table 1.—The Soviet fish catch by area<sup>1</sup>, 1965-86.

Year	Catch (1,000 t)							Total
	L. America	N. America	Africa	Antarctic	Oceania	Inland	Coastal	
1965	17.3	1,362.6	479.2			826.4	2,414.4	5,099.9
1966	110.7	1,385.9	516.2			789.0	2,547.0	5,348.8
1967	701.6	1,192.2	442.7			816.0	2,624.7	5,777.2
1968	249.4	1,228.3	813.4			780.5	3,010.5	6,082.1
1969	122.8	1,625.5	997.7			746.5	3,005.9	6,498.4
1970	440.8	1,559.1	1,082.1			853.4	3,316.8	7,252.2
1971	39.3 <sup>2</sup>	1,677.7	1,468.2		13.0	935.4	3,203.4	7,337.0
1972	126.4 <sup>2</sup>	2,019.2	1,697.6		53.7	870.0	2,990.0	7,756.9
1973	192.3 <sup>2</sup>	1,737.2	1,635.0		74.8	849.6	4,129.9	8,618.8
1974	60.7	1,854.7	1,727.6		89.5	772.9	4,737.5	9,242.9
1975	108.3	1,739.5	1,564.2		44.8	944.0	5,475.1	9,875.1
1976	33.5	1,349.3	2,178.6	57.6	78.0	770.3	5,664.6	10,132.2
1977	27.9	617.8	2,254.2	362.9	129.0	770.8	5,187.9	9,350.7
1978	54.0	456.5	2,291.3	298.3	72.8	730.4	5,011.4	8,914.8
1979	548.9	355.5	1,388.5	439.2	71.6	805.6	5,516.8	9,114.0
1980	580.1	167.5	1,804.3	526.7	73.6	747.0	5,576.5	9,475.8
1981	624.3	116.6	1,713.8	515.9	66.8	806.9	5,701.7	9,545.9
1982	627.2	112.5	1,869.2	601.7	76.8	803.6	5,865.7	9,956.7
1983	682.5	87.5	1,598.1	375.6	100.1	856.4	6,116.4	9,816.7
1984	663.3	151.6	1,401.5	196.5	72.8	881.5	7,225.5	10,592.9
1985	696.5	144.4	1,437.9	216.3	75.9	905.6	7,046.1	10,522.8
1986	790.7	156.7	1,575.8	431.2	165.2	926.9	7,213.5	11,260.0
1987	1,013.5	163.5	1,779.9	384.2	166.6	988.4	6,663.6	11,159.6

<sup>1</sup>Latin America includes FAO areas 31, 41, 77, and 87. The area described as North America includes FAO Areas 21 and 67. The area described as Africa includes FAO Areas 34, 47, and 51, and Oceania includes FAO Areas 57, 71, and 81. Soviet coastal zones are FAO Areas 18, 37, and 61.

<sup>2</sup>Does not include catch of Soviet vessels leased by Chile, 1970-73.

fish African grounds intensively. African countries, as a result, responded by extending their own coastal zones in the late-1970's. The Soviets successfully negotiated bilateral fishing agreements with many of those governments, but several of those countries have been dissatisfied with the

results achieved. African officials had hoped that the Soviets would help develop their local fisheries. Results in terms of increased catch and expanded export earnings have been limited.

Some African officials are convinced that the Soviets have significantly under reported their catch and

are concerned about the impact of this intense fishing effort on stocks. Few African countries have the enforcement capability to closely monitor distant-water operations. Some African countries have terminated their agreements with the Soviets. Other countries have attempted to develop fishery relations with noncommunist countries. A variety of access and joint venture agreements have been negotiated with the European Community, Japan, South Korea (ROK), and other countries. Despite the Soviets' difficulties with African countries, African waters remain the Soviets' most important distant-water fishery, even accepting Soviet catch statistics.

### Latin American Grounds

Soviet catches off Latin America have fluctuated significantly since the Soviets first began to research potential grounds (1961) and commenced a commercial fishery (1965) (Table 1, 2). Soviet fishing operations off Latin America were complicated by the lack of diplomatic and commercial ties with Latin countries. The Soviets developed close fishery relations with Cuba after the 1959 revolution, but found Caribbean stocks ill-suited for their large stern factory trawlers. In recent years, Latin America's relative importance as a distant-water fishery for the Soviet fleet has increased steadily, especially after Soviet fishing on North American grounds was sharply restricted in 1977 (Table 1, 2). The Soviets caught a record 1.0 million t of fish off Latin America in 1987, more than a 20 percent increase over the previous record catch (0.8 million t, reported in 1986). About 30 percent of the entire Soviet distant-water catch was taken off Latin America in 1987 (Fig. 2). The Soviets primarily operate on two grounds in Latin America: The Eastern Pacific (off Peru and Chile), and the Southwest Atlantic (off Argentina).

### Eastern Pacific

The primary Soviet fishing ground in Latin America since 1979 has been the Eastern Pacific off Peru and Chile. About 85 percent of the Soviet 1987

Table 2.—The Soviet fish catch by area<sup>1</sup> and regional importance by percentage, 1965-86.

Year	Catch (percent)							Total
	L. America	N. America	Africa	Antarctic	Oceania	Inland	Coastal	
1965	0.3	26.7	9.4			16.2	47.3	100.0
1966	2.0	25.9	9.7			14.6	47.6	100.0
1967	12.1	20.6	7.7			14.1	45.4	100.0
1968	4.1	20.2	13.4			12.8	49.5	100.0
1969	1.9	25.0	15.4			11.5	46.2	100.0
1970	6.1	21.5	14.9			11.8	45.7	100.0
1971	0.5 <sup>2</sup>	22.9	20.0		0.2	12.7	43.7	100.0
1972	1.6 <sup>2</sup>	26.0	21.9		0.7	11.2	38.5	100.0
1973	2.2 <sup>2</sup>	20.2	19.0		0.9	9.9	47.9	100.0
1974	0.7	20.1	18.7		1.0	8.5	51.3	100.0
1975	1.1	17.6	15.8		0.5	9.6	55.4	100.0
1976	0.3	13.3	21.5	0.6	0.8	7.6	55.9	100.0
1977	0.3	6.6	24.1	3.9	1.4	8.2	55.9	100.0
1978	0.6	5.1	25.7	3.3	0.8	8.2	56.2	100.0
1979	6.0	3.7	15.2	4.8	0.8	8.8	60.5	100.0
1980	6.1	1.8	19.0	5.6	0.8	7.9	58.8	100.0
1981	6.5	1.2	18.0	5.4	0.7	8.5	59.7	100.0
1982	6.3	1.1	18.8	6.0	0.8	8.1	58.9	100.0
1983	7.0	0.9	16.3	3.8	1.0	8.7	62.3	100.0
1984	6.3	1.4	13.2	1.9	0.7	8.3	68.2	100.0
1985	6.6	1.4	13.7	0.2	0.7	8.6	67.0	100.0
1986	7.0	1.4	14.0	3.8	1.5	8.2	64.0	100.0
1987	9.1	1.5	15.9	3.4	1.5	8.9	59.7	100.0

<sup>1</sup>Latin America includes FAO areas 31, 41, 77, and 87, and the area described as North America includes FAO Areas 21 and 67. The area described as Africa includes FAO Areas 34, 47, and 51, and Oceania includes FAO Areas 57, 71, and 81. Soviet coastal zones are FAO Areas 18, 37, and 61.

<sup>2</sup>Does not include catch of Soviet vessels leased by Chile, 1970-73.

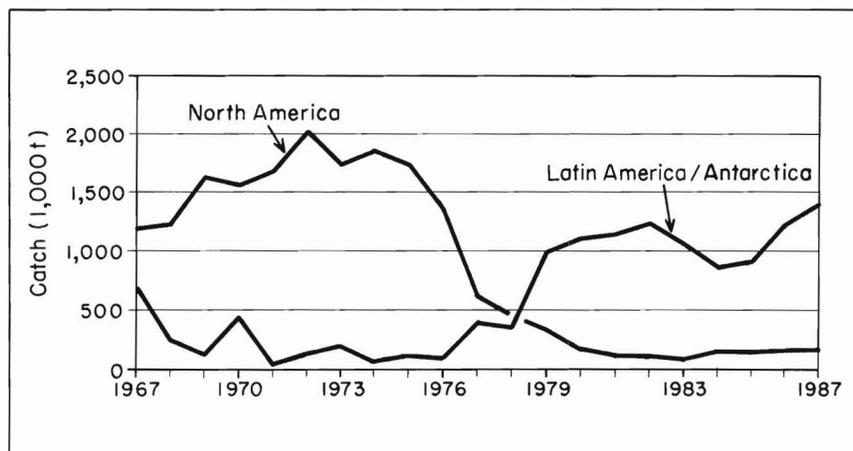


Figure 1.—Soviet Union distant-water fish catch fluctuations, 1967-87.

**Table 3.—The Soviet fish catch off Latin America, 1965-86.**

Year	FAO area <sup>1</sup> catch (1,000 t)				Total
	31 <sup>2</sup>	41	77 <sup>2</sup>	87 <sup>3</sup>	
1965	17.3				17.3
1966	37.4	73.3			110.7
1967	23.9	677.7			701.6
1968	6.8	189.8	52.8		249.4
1969	4.8	92.6	25.4		122.8
1970		420.6	20.2		440.8
1971	11.2	26.2	1.9		39.3
1972	73.8	4.6	12.9	35.1	126.4
1973	8.9	6.1	138.1	39.2	192.3
1974	25.6	12.9	22.2		60.7
1975	69.0	8.7	30.6		108.3
1976	23.8	9.7			33.5
1977		27.9			27.9
1978			Negl	54.0	54.0
1979	2.2	0.1		546.6	548.9
1980	27.7			552.4	580.1
1981	17.2	2.2		604.9	624.3
1982	19.0	0.2		608.0	627.2
1983	66.1	1.4		615.0	682.5
1984	58.0	0.2		605.1	663.3
1985	70.9	1.1		624.5	696.5
1986	77.1	2.7		710.9	790.7
1987	168.5	0.1		844.9	1,013.5

<sup>1</sup>FAO Area 31 = Western Central Atlantic, 41 = Southwestern Atlantic, 77 = Eastern Central Pacific, and 87 = Southeastern Pacific. The Soviets also fish in Antarctic waters claimed by Argentina and Chile (FAO areas 48 and 88). As the United States does not recognize the Argentine and Chilean claims, the Soviet fisheries catch there is not included in the above Latin American totals. The main Soviet fishery in the Antarctic is for krill.

<sup>2</sup>May include small amounts taken off the United States.

<sup>3</sup>Does not include catch of Soviet vessels leased by Chile.

catch off Latin America was taken in the Eastern Pacific, outside the 200-mile zones of Peru and Chile (Fig. 3, Table 3). The Soviets have generally been excluded from Peruvian and Chilean waters, but have heavily fished the Eastern Pacific outside their 200-mile zones. Chilean relations were close with the Allende Government. The Soviets leased five stern factory trawlers to a Chilean state-owned fishing company in 1972-73, but have had no diplomatic or commercial relations whatsoever with Chile since the overthrow of President Allende in 1973. Peruvian relations have been much more fruitful. The Soviets have had a fisheries cooperation agreement with Peru since 1973 (which includes landing rights to exchange crews and service vessels in Peruvian ports). Two short-lived and unpopular Soviet-Peruvian joint ventures permitted the Soviets to catch small quantities of fish in Peruvian

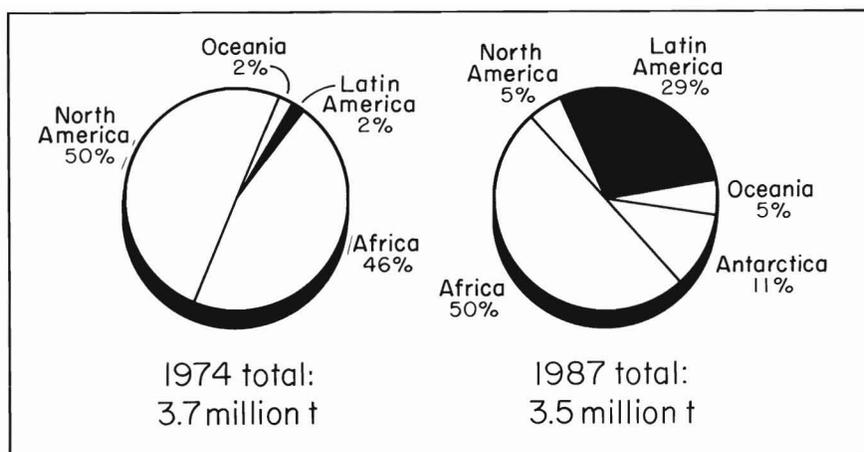


Figure 2.—Soviet distant-water fish catch by region, 1974 and 1987.

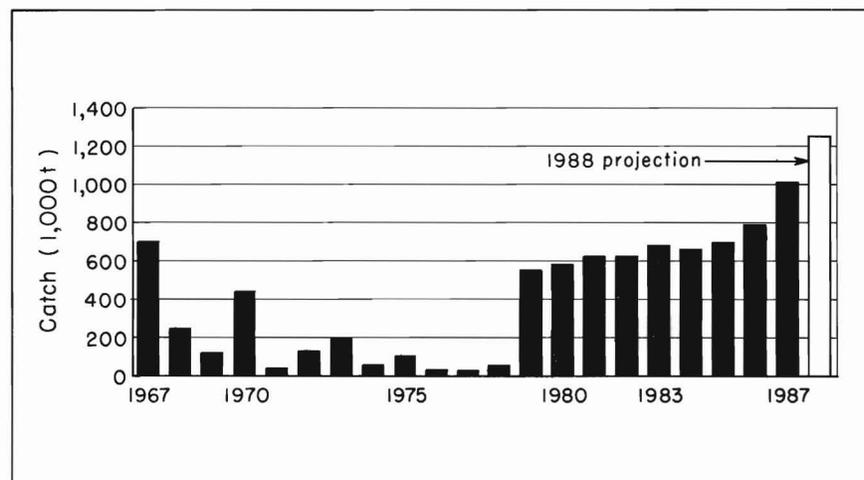


Figure 3.—Soviet fish catch off Latin America, 1967-68.

waters in 1985 and 1986, but the Soviets have generally been prohibited from fishing within Peru's 200-mile zone. The Soviets are, however, currently trying to finalize a major new agreement that would permit them to catch up to 400,000 t of fish in Peruvian waters annually.

#### Southwest Atlantic

The Southwest Atlantic has been a secondary ground for the Soviets, except for a brief period (1966-70) be-

fore Argentina and Brazil moved to establish 200-mile zones. The Soviets have continued to seek access to both Argentine and Brazilian coastal waters. Even after signing an access agreement with Argentina, however, the total Soviet catch in the Southwestern Atlantic was only about 15 percent of their entire Latin American catch in 1987. Even so, the Southwest Atlantic has some advantages over the Eastern Pacific. First, the Soviets have access to demersal stocks in the South-

west Atlantic, while their catches are mostly less desirable pelagic species in the Eastern Pacific. Second, the Soviets can coordinate their Southwestern Atlantic fishery with similar operations off Southern Africa in the Southeast Atlantic.

### **Soviet South Atlantic Fishery**

#### **Patagonian Shelf Activity, 1961-67**

The Soviets first deployed vessels off Argentina in 1961. The first vessels were research vessels which began to access stocks on the virtually untouched Patagonian shelf. Soviet exploratory research work continued there for several years. Soviet fishing vessels (using the research data that had been accumulated) initiated commercial operations with considerable success in early 1966, catching 73,300 t of fish (Table 3). Most of that catch was hake (56,000 t). Soviet South Atlantic operations were made possible by the build-up in the mid-1960's of the Soviet fleet of motherships which could deliver supplies and pick up the catch of the factory trawlers at sea, permitting the Soviets to operate on distant grounds without local support bases.

#### **200-Mile Declaration**

The Argentine Government responded swiftly to the massive new Soviet fishery in 1966. Argentine officials were astounded by the scale of the Soviet effort. The initial Soviet catch results were impressive, totaling over 73,000 t. Thus, in just 1 year the Soviets managed to achieve a catch nearly one-third of Argentina's entire catch of about 250,000 t. The Argentine Government was particularly concerned as most of the Soviet catch was hake, the primary species utilized by Argentine fishermen. In addition, the Soviets were planning a massive expansion of the fishery in 1967. After the dimensions of the Soviet effort had become apparent, the Government of General Juan Carlos Onganía declared a 200-mile Territorial Sea on 4 January 1967 (Decree No. 17094). Most countries at the time claimed only 12-mile coastal zones, but the

Argentines were following the example set by Peru (1947), Costa Rica (1948), Ecuador (1951), and Chile (1953) which had already declared varying forms of 200-mile coastal zones. The Argentine Foreign Ministry stated that the action was necessary because of extensive foreign fishing activities, "specifically of communist nations." Especially troublesome to the Argentine military regime were allegations that Soviet and Cuban fishing vessels were smuggling arms and advisers to subversive groups in Argentina. In addition, local fishermen complained that the Soviets operated unusually close to Argentina's coast. Before the announcement of the 200-mile claim, some fishermen even reported seeing Soviet fishing vessels within Argentina's 3-mile Territorial Sea. Other Argentine fishermen claimed that the Soviets were using illegal fishing methods such as "blasting" (*Washington Daily News*, 12 December 1966) (the use of explosives to kill or stun large quantities of fish), but there is no evidence to support these allegations. Not all Argentines favored the implementation of the new 200-mile zone. Some critics of the military regime alleged that Soviet fishing activities were being overstated to give the Argentine Navy an excuse to enlarge the fleet, as additional vessels would be needed to patrol the expanded zone.

#### **Initial Fishing Regulations**

Shortly after the 200-mile declaration, the Argentine Government issued regulations enabling foreign fishermen to buy fishing licenses to operate in Argentina's 200-mile zone. Interested foreign fishermen had to pay a nominal fee (about \$30 per vessel, renewable every 2 months) for fishing rights. (The Argentines had apparently decided that, initially, establishing the principle of Argentine jurisdiction was more important than generating revenue). The Argentine Navy began to enforce the new licensing regime on 29 January 1967, and issued warnings to several Soviet fishing captains, who then paid the fees. (Soviet officials claimed that the fees were paid by the

vessel operators—not the Soviet Government. They made this distinction—ignoring the fact that all Soviet fishing vessels are owned and operated by an agency of the Soviet Government—to avoid an official recognition of Argentine jurisdiction.)

The Soviet Embassy in Buenos Aires released a statement on 2 February 1967, disputing the right of any country to claim a 200-mile Territorial Sea, and calling on the Argentine Government to reverse its decision. Despite their diplomatic objections, the Soviets continued to purchase the Argentine fishing licenses. As a result of their successful experience in 1966, the Soviets sharply increased the number of vessels deployed in the Southwest Atlantic during 1967. In late 1967, about 70 large Soviet stern factory trawlers (including seven motherships) operated in Argentine waters under the Argentine licensing regime.

#### **New Regulations Prompted**

The Argentine Government, by September 1967, had become greatly concerned about the massive foreign fishing effort conducted under its licensing regime. Soviet trawlers caught a record 677,700 t of fish in Argentine waters during 1967, almost three times the Argentine catch of 241,000 t. (The other countries fishing off Argentina caught significantly less fish in 1967. Japan caught 4,400 t, West Germany caught 2,000 t, and Cuba caught 1,600 t.) As a result, Argentina issued new foreign fishing regulations in October 1967 which were originally to be implemented on 24 December of that year. The new law increased the licensing fees, required foreign fishermen to report their catches to the Argentine Government, and placed quantitative limits on the catches. The implementation of the law was delayed until 1 April 1968, and in the interim the governments of Brazil, Germany (FRG), Japan, Spain, and the U.S.S.R. tried to negotiate more favorable terms for their fishermen. Negotiations between the Soviets and Argentines broke down in early 1968, however, because the Soviets refused to either report their catches or

**Table 4.—Bilateral fishery agreements between Argentina and the Soviet Union, 1973-88.**

Year	Type of agreement	Key elements
1973	Fisheries cooperation	Technical assistance, joint research, joint ventures (never implemented), training
1980	Fisheries cooperation	Technical assistance, joint krill stock assessment, possibility of joint krill fishing venture
1980	Joint venture agreement	Soviet vessels to operate under Argentine flag (never implemented)
1985	Vessel repair agreement	Tandano Shipyard to repair Soviet fishing vessels
1986	Fisheries access and cooperation	Licensing fees, training, 180,000 t fish allocation
1987	Joint venture agreement	Soviets to purchase an amount of fish equal to 30 percent of the value of their catch

pay the higher prices for fishing licenses. Consequently, the Soviets withdrew their fleet on 1 April 1968 when the Argentine Navy began to strictly enforce the new regulations. Most Soviet vessels moved to the north or east of the Argentine 200-mile zone, but some Soviet captains—contrary to directions from the Soviet Ministry of Fisheries—apparently returned to the highly productive Argentine waters, resulting in several vessel seizures.

#### Enforcement Incidents, 1968

Argentine-Soviet tensions reached a peak in June 1968, when an Argentine Naval vessel fired upon and struck the Soviet trawler *Golfstrim*, forcing it to stop for boarding and seizure. (Another Soviet trawler, the *Pavlovo*, was also seized in the same incident, but escaped during a storm that developed while the Argentine Navy was escorting it to the port of Buenos Aires.) The Soviets strongly protested the incident, claiming that the vessel was seized outside the Argentine 200-mile zone, off the coast of Uruguay, and demanded compensation for the damage to the trawler. The Soviet appeal, however, went largely ignored. The vessel was held at Buenos Aires until late July 1968, when Soviet "commercial agents" paid a \$25,000 fine and an additional \$3,000 in port charges.

(The Soviet Government, as it did in purchasing fishing licenses, used "commercial agents" (rather than governmental channels) to resolve the dispute, to avoid recognizing Argentine jurisdiction.) As a result of the strict Argentine enforcement program, the Soviet catch in the Southwest Atlantic declined by more than two-thirds in 1968, to only 190,000 t (Fig. 3 and Table 3). The Soviet fleet apparently ceased most fishing activity in Argentine waters following the *Golfstrim* incident. Argentine fishermen continued to complain sporadically about Soviet fishing inside the Argentine zone during 1969-70, but the charges were disputed by the Argentine Navy.

#### Continued Soviet Interest, 1970's

The Soviets continued to be interested in rich Argentine grounds as a potential resource for their rapidly expanding fishing fleet even after withdrawing their vessels in 1968. Soviet officials correctly perceived the waters off Argentina as one of the world's last remaining large underutilized fishing grounds. Their research and brief fishing experiences correctly identified the Patagonian Shelf as an ideal ground for the Soviet fleet. Soviet distant-water trawlers were ideally suited to harvest the demersal resources occurring on the Patagonian shelf. After being expelled from Argentine waters, the Soviets reported some success by moving northward. The Soviets were able to increase their Southwest Atlantic catch to over 400,000 t in 1970, primarily by increasing effort off the coast of Brazil. This prompted Brazil to declare its own 200-mile zone in 1970. As a result, Soviet catches in the Southwest Atlantic declined to only 26,000 t by 1971. Soviet Southwest Atlantic catches remained at low levels until 1983.

#### Fisheries Cooperation, 1973-74

Soviet fishery officials attempted to resume contacts with the Argentine Government after Juan Perón returned to the Presidency in 1973. The

Soviets dispatched a delegation of high-ranking fishery officials to Buenos Aires in August 1974 for negotiations. The Soviet delegation visited the port of Punta Quilla (along Argentina's central coast) and expressed an interest in fishing stocks off Santa Cruz Province. In return, the Soviets offered technology to assist in the development of the Argentine fishing industry. The two governments initiated an agreement which provided for a joint stock assessment project south of lat. 42°S<sup>1</sup>, a training program for Argentine fishermen, technical and economic assistance for the construction of a fishing port in southern Argentina, and the eventual formation of a joint fishing venture (Table 4). The agreement proved to be of little consequence. No actual fishing resulted from this accord, nor were any joint ventures actually formed, largely because (following the death of her husband, Juan Perón) President Isabel de Perón curtailed most commercial contacts with the Soviet Union. The Soviets did, however, expand their Antarctic fishery south of Argentina, and in 1974 reported a significant krill catch (72,000 t) for the first time (Table 5, 6).

Argentina claims the Antarctic sector south of lat. 60°S, and between long. 25°W and 74°W, an area which includes the Soviets' most important krill fishery. Argentina is, however, a Consultative Party to the Antarctic Treaty (ATCP), a multilateral regime under which a claimant state's claims are frozen (i.e., the claimant state's actions will have no bearing on its claim as long as the treaty is in force). The Soviet Union, which is also an ATCP, is allowed to harvest krill under the auspices of an agreement complementary to the Antarctic Treaty, the Convention for the Conservation of Living Marine Antarctic Resources (CCLMAR).

<sup>1</sup>The southern latitudes specified in this and subsequent agreements with the Soviets are significant as few Argentine fishermen operate South of lat. 42°S. Consequently, the authorized Soviet activity would not compete with domestic fishermen.

**Table 5.—The Soviet Union Antarctic krill catch by FAO area, 1970-86.**

Year	Catch by FAO area (1,000 t)				Total
	41	48 <sup>1</sup>	58	88	
1970					
1971					
1972					
1973					
1974		22.7			22.7
1975		38.9			38.9
1976		0.5			0.5
1977		99.8	1.9	3.3	105.0
1978		89.8	26.5		116.3
1979		321.2	28.0	0.6	349.8
1980	0.2	356.8	83.8		440.8
1981		285.1	132.2	3.1	420.4
1982		368.2	119.4	4.1	491.7
1983		128.8	45.6	5.9	180.3
1984		62.3	12.0	Negl.	74.3
1985		146.9	3.7		150.6
1986		366.7	10.6	1.9	379.2
1987		264.5	25.6	0.3	290.4

<sup>1</sup>FAO Area 48 is the area directly south of Argentina and the South Atlantic

**Table 7.—Argentine exports to and imports from the Soviet Union, 1964-87.**

Year	Trade (US\$ million)		Percent of exports shipped to the USSR
	Exports	Imports	
1964	15.1	2.9	1.0
1965	81.9	17.9	5.5
1966	88.1	18.2	4.8
1967	19.5	7.2	1.3
1968	17.6	4.9	1.3
1969	21.3	8.9	1.3
1970	27.3	3.1	1.5
1971	30.3	3.9	1.7
1972	24.1	2.6	1.2
1973	83.1	7.0	2.5
1974	211.1	10.9	5.4
1975	288.3	22.0	9.7
1976	219.1	12.8	5.6
1977	210.7	20.3	3.7
1978	385.5	11.1	6.0
1979	415.3	30.7	5.3
1980	1,614.2	14.6	20.1
1981	2,963.2	32.4	32.4
1982	1,586.4	33.3	20.8
1983	1,635.9	31.5	20.9
1984	1,187.8	35.6	14.7
1985	1,212.7	41.9	14.4
1986	208.8	59.2	3.0
1987 <sup>1</sup>	634.0	92.9	9.9

<sup>1</sup>January-October only.

### Enforcement Incidents, 1977

Soviet-Argentine fishery relations took a turn for the worse in 1977 when the Soviets apparently increased fishing effort in the Southwest Atlantic without concluding an access agreement with Argentina. (The Soviets reported a slight catch increase to FAO, but the size of the Soviet Southwest

**Table 6.—The Soviet southwest Atlantic fish catch (FAO area 41) by species, 1980-86.**

Species	Catch (1,000 t)							
	1980	1981	1982	1983	1984	1985	1986	
Grenadiers	0.2			18.1	31.0	8.7	15.0	69.5
Squids	0.9	0.4	18.2	21.3	15.6	38.5	36.8	47.9
Southern blue whiting	21.4	16.8		24.2	10.2	16.2	2.8	33.6
Argentine hake	3.5	Negl.	0.4	1.7	0.2	0.5	0.2	4.0
Other gadiformes					Negl.		0.2	0.5
Argentine anchovy	0.6	Negl.		0.1	0.7	0.1	Negl.	0.5
Patagonian toothfish								0.4
Other	3.0		0.5	0.6	0.2	0.5	2.3	12.1
Antarctic silverfish						6.0	19.8	
Antarctic krill	0.2							
Total	27.7	17.2	19.0	66.0	58.0	70.9	77.1	168.5

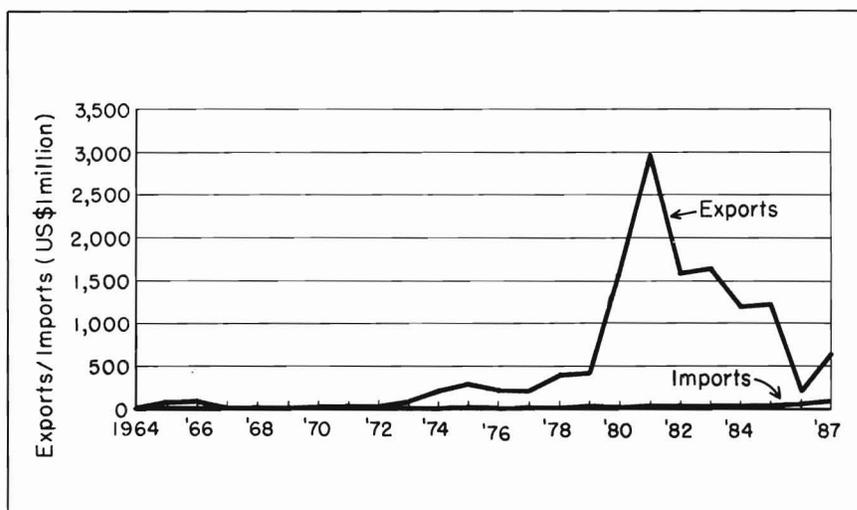


Figure 4.—Argentine exports to and imports from the Soviet Union, 1964-87.

Atlantic presence in 1977 indicates that the actual catch increase may have been much larger.) The military regime that had ousted President Isabel de Perón in 1976 responded to the Soviet fishing activity by intensifying enforcement efforts, resulting in the most serious fishery incident between the two countries. During a 2-week period in September-October 1977, the Argentine Navy seized seven Soviet trawlers and two Bulgarian vessels fishing inside the Argentine 200-mile zone. According to Argentine press reports, 12 other vessels managed to evade capture. Some reports indicate that as many as 30 foreign (mostly Soviet) vessels may have been

operating in Argentine waters for 6 weeks prior to the seizures.

It is not clear why the Soviets were willing to risk alienating the South American government with which it had the best relations by violating its fishing regulations. The United States had sharply reduced Soviet fishing off its coasts in 1977 and the Soviets needed to find alternative grounds. The Soviets may have thought that Argentina would prove tolerant of their fishing activities, because the Soviet Union had become an important buyer of Argentine agricultural commodities by 1977 (Table 7, Fig. 4). The Argentine Government, however, formally protested the presence of

Soviet trawlers in Argentine waters. The Soviets, in turn, warned the Argentine Government that the continuation of good bilateral relations depended upon the favorable resolution of the matter. Argentine authorities apparently ignored the Soviet warning, fining the vessel masters \$100,000 each—the maximum possible under Argentine law—and confiscating their catches, which included 2,600 t of fish and 85 t of fishmeal. The confiscated fish was sold to the Bajamar company of Spain, and was subsequently shipped to Spain by a Soviet refrigerated cargo vessel. The 1977 seizures proved to be the nadir of Argentine-Soviet fishery relations. Argentina has not seized any Soviet fishing vessels since the 1977 incidents, but it is not known whether that is because of a lack of illegal Soviet activity or an Argentine desire to avoid disruption of their important commercial relationship with the Soviets. The Soviet Union, in some years, has been Argentina's principal trading partner. In 1982, for example, because of the grain embargo which had been imposed on the USSR by the United States in 1980, the Soviet Union purchased nearly 80 percent of Argentina's agricultural exports. Argentina's trade surplus with the Soviet Union in 1982 was over \$3.1 billion.

### Renewed Cooperation, 1980-83

Argentine and Soviet officials continued to discuss fishery issues even after the 1977 confrontation. The increasing importance of Soviet grain purchases to Argentine farmers (Table 7) proved strong enough to override the Argentine military's virulent anti-communism. As a result of these negotiations, the two countries signed, in March 1980, a new fisheries cooperation agreement that was very similar to the 1974 accord (Table 7). The new cooperation agreement provided for a krill stock assessment south of lat. 46°S, and for the eventual establishment of a joint krill fishing venture. The Soviets had been expanding their Antarctic krill fishery since 1974. Soviet krill catches exceeded 100,000 t for the first time in 1977, and by

1980 had reached over 440,000 t, most of which was taken in Antarctic waters directly south of Argentina (Table 5). Argentine officials apparently hoped that the Soviets would share their krill processing technology, so Argentina could take advantage of that immense resource. The joint krill fishing venture was officially authorized by the Argentine Government on 8 April 1982 (just 1 week after the Argentine invasion of the Falklands). The agreement specified that 10 Soviet vessels would operate south of lat. 46°S under the Argentine flag. An Argentine delegation traveled to Moscow in July 1983 to discuss the actual formation of the joint ventures. The Soviets, however, reportedly tried to renegotiate the deal to enable them to operate their vessels under the Soviet flag, and the negotiations broke down. No joint company was formed and the Soviets were still not allowed to fish off Argentina.

### Falklands Conflict, 1982

Soviet-Argentine fishery relations changed dramatically after 1982, as a result of the Falklands conflict with the United Kingdom (U.K.). After recapturing the Falklands in mid-1982, the United Kingdom established a 150-mile Falkland Islands Protection Zone (FIPZ) (see map). The British took no action to prevent foreign fishing in the zone, but they did insist that Argentine fishermen apply for permits—which would have been a de facto recognition of British jurisdiction. The Argentines refused to do so, and were thus denied access. The British also excluded Argentine enforcement vessels. As a result, fishermen from many countries—no longer hampered by Argentine regulations—began fishing off the Falklands. The Poles and the Soviets became the primary beneficiaries of the British laissez-faire policy. Poland, which has been denied access to U.S. grounds since the imposition of martial law, initiated a massive squid fishery off the Falklands. The Soviets initiated a major fishery for squid, southern blue whiting, and other demersal species. By 1985, about 60 Soviet stern factory trawlers



The Argentine 200-mile zone. Note that the FIPZ has been supplanted by the FICZ. The Falkland Islands, administered by the United Kingdom, are claimed by Argentina.

were operating in the Southwest Atlantic (mostly off the Falklands), and reported a catch of almost 71,000 t, a large share of which was squid (Table 6). (The 2,500-gross registered ton (GRT) class of Soviet trawlers that operated off the Falklands each have the capacity to land 8,000-10,000 t of fish per year, which leads some to conclude that the Soviets were substantially under-reporting their catches.) The Soviet fleet did not have access to repair facilities in the South Atlantic, however, and consequently its representatives signed a service contract with the Tandanor Shipyard in Buenos Aires, which is owned by the Argentine Ministry of Defense (Table 4). The Defense Ministry reportedly pursued the deal to cover operating expenses and compensate for cuts in the

military budget implemented by the civilian administration of President Raul Alfonsín. Three vessels, the *Van Gogh*, the *Gletcher*, and the *Ritza*, were repaired at the Tandonor Shipyard in early 1985, and the shipyard has reportedly been full of Soviet fishing vessels since that time.

### **Argentine Diplomatic Initiatives, 1985-86**

Argentine officials became increasingly concerned with the successful implementation of the FIPZ by the British. The Argentines had various objections to the British action. First, the British effectively prevented Argentine fishermen from fishing the rich grounds off the Falklands. British enforcement patrols confronted any Argentine vessel—military or civilian—entering the FIPZ. A report released in September 1988 by the Programa de Asistencia al Poder Legislativa stated that 54 percent of the fishery resources of the Patagonian Shelf are located around the Falklands. The report asserted that the increased foreign fishing off the Falklands was at the expense of the Argentine catch. Some observers disagree, however, pointing out that very little hake (which constitutes about 70 percent of the Argentine catch) is found near the Falklands.

Second, the massive foreign fishing effort posed a potential threat to stocks, which Argentine authorities could no longer protest. Third, the rising foreign catch around the Falklands competed with Argentine exports of similar species, adversely affecting prices in important foreign markets.

The Argentine Government, faced with the above fisheries situation and—more importantly—actively attempting to gain international recognition for its Falklands claim, contacted countries fishing off the Falklands in an effort to negotiate bilateral fishery agreements. Most distant-water countries contacted by the Argentine Government were benefitting from the wide-open Falklands fishery, and as a result, showed little interest in the Argentine initiative. Poland and Spain had initiated major trawl fisheries off

the Falklands, and several Asian countries were steadily increasing jigging and other fishing operations.

### **Bilateral Access Agreements, 1986**

Only two countries responded positively to the Argentine initiative: The Soviet Union and Bulgaria, which have tacitly supported the Argentine claim to the Falklands. (The Soviets have generally supported Argentina on U.N. resolutions concerning the Falklands. Shortly after the Argentine invasion of the archipelago, however, the Soviets abstained from a U.N. Security Council initiative condemning the Argentine action. The Argentine Junta had hoped for a Soviet veto of the measure, but the Soviets declined to exercise their veto because to do so would have meant condoning the use of military force.)

As a result, after excluding Soviet fishermen from Argentine waters for 18 years, the Argentine Government, in July 1986, initialed an agreement allowing the Soviet fishing fleet to resume operations inside Argentina's 200-mile zone (Table 4).

### **Agreement Provisions**

Under the terms of the agreement, 18 Soviet stern factory trawlers would be allowed to catch up to 180,000 t annually. The Argentines also signed a similar agreement with Bulgaria which permitted 6-8 trawlers to catch 80,000 t annually. The Bulgarian fleet often operates closely with the Soviets, who share research results and support services. These vessels were prohibited from operating north of lat. 46°S, and from catching shellfish and hake (species upon which Argentina's domestic fishing industry is highly dependent). To enforce these provisions, the agreement stipulated that all Soviet vessels operating in Argentine waters were prohibited from fishing without an Argentine inspector on board. The 2-year agreement required the Soviets to pay a 3 percent licensing fee and to purchase a quantity of Argentine-processed fishery products equal in value to 30 percent of the value of the Soviet catch in Argentine waters. The agreement also provided for the training of

Argentine fishermen aboard the Soviet vessels; 10 percent of the crews on these ships were to be Argentine citizens. Although the Soviets did pay the salaries of the proper number of Argentine fishermen, some observers reported that very few Argentine fishermen were actually trained on board the Soviet trawlers during the first year of the agreement. To accommodate the support needs of the Soviet fleet operating so far from home, the accord allows the Soviets to use Argentine ports for crew exchanges and resupply and maintenance activities.

### **The Domestic Debate**

Despite the seemingly favorable terms obtained by the Argentine Government, the bilateral agreement with the Soviets was sharply criticized by various groups in Argentina. Some individuals, such as former Argentine President Arturo Frondizi, were concerned over the security implications. The most intense criticism, however, has come from the Argentine fishing industry. Argentine fishermen, like fishermen in most other countries, resented their government authorizing foreign fishing. Many thought that the intensive fishing methods practiced by the Soviet fleet would endanger Argentina's fishery resources. (In order to operate their large stern trawlers profitably, the Soviet distant-water fleet needs to achieve high yields. This often necessitates fishing a given area intensively, taking juvenile as well as adult fish to maximize the catch, and then moving on when yields fall. The fleet then returns to the area in 5 or 6 years, if the fish population recovers.)

Other Argentines claimed that this fear was unfounded, as the agreement in fact provided for a reduction of the Soviet fishing effort on the Patagonian Shelf. (As mentioned earlier, the Soviets had been operating more than 60 vessels off the Falklands, while under the terms of the new agreement, only 18 would be permitted inside the Argentine 200-mile zone at any one time.) Despite the domestic criticisms, the Government decided to proceed with the agreement. President Alfonsín traveled to Moscow to sign

the accord in October 1986. In protest, the Cámara de Armadores de Buques Pesqueros de Altura (CAPECA—the Association of High-seas Fishing Vessel Owners) called a 14-hour strike. Because the agreement was so controversial, the ratification process in the Argentine Chamber of Deputies proved to be lengthy and was characterized by heated, often acrimonious debates.

### British Establish Falklands Management Zone, 1986-87

The domestic debate over the Soviet agreement ended on 29 October 1986, when the British announced that, as of 1 February 1987, they would enforce a 150-mile Falkland Islands Interim Conservation and Management Zone (FICZ), requiring all foreign fishermen to purchase licenses. The Falkland Islands Office (FIO) in London subsequently announced that countries wishing to fish off the Falklands should apply by 5 December 1986, so licenses could be issued by 15 December. Fees ranged from \$18-135 per vessel Gross Registered Ton (GRT) for trawlers to \$293 per vessel GRT for squid jiggers. The revenue generated by these fees gave a massive boost to the Falklands economy during 1987, resulting in a 210 percent increase in the islands' Gross Domestic Product.

### Argentina Ratifies Agreements, 1986

Argentine legislators realized that if they did not quickly ratify the Soviet agreement, the Soviets might buy licenses from the Falkland Islands Government (FIG)—thus acknowledging de facto jurisdiction of the United Kingdom. As a result, the Chamber of Deputies unanimously approved both the Soviet and Bulgarian fishery co-operation agreements on 31 October 1986. Argentine officials had hoped to negotiate agreements with the non-communist countries fishing off the Falklands, but were unable to do so. The Soviet Union and Bulgaria were the only countries to add some credibility to Argentina's Falklands claim, as Argentina's fishing agreements with

them theoretically allowed the Soviets and Bulgarians to fish off the Falklands with Argentine—and not British—permission. Fishermen of all other nationalities operating off the Falklands, however, purchased FIG licenses and the continued Argentine efforts to negotiate bilateral fishery agreements achieved little. (Taiwan reportedly expressed an interest in an agreement, but Argentine officials demurred, as they do not recognize Taiwan.) The governments involved insisted that they were not recognizing British sovereignty and that the purchase of licenses by fishing companies was a purely commercial decision. The Argentine Government continues to pursue fishery agreements with countries fishing in the South Atlantic. The Argentine press reported contacts with Japan and Spain during 1988.

### Soviet Fishing, 1987-88

The Soviets commenced fishing activities in Argentine waters in May 1987. The Soviet catch during the first 12 months of the bilateral agreement (May 1987-April 1988) according to official Argentine Government statistics, totaled 180,000 tons (Table 8). The most important species were various demersal fishes: Patagonian toothfish (73,600 t), grenadiers (41,400 t), southern blue whiting (40,500 t), and squid (11,200 t) (Table 9).

Five Argentine fish processing companies signed an agreement in April

1987 (Table 4), to supply the Soviets with processed fish, as provided for in the bilateral agreement. These companies included: Argenpez, Bajamar, Frigorífico Gepa, Pesquera Argentina del Sur, and Pesquera Cono del Sur. Two other companies, Pesquera Santa Elena and Pesquera del Atlántica, were also expected to participate. It was agreed that the processed fish would be marketed in the Soviet Union, so as not to compete with Argentine products in Europe and other traditional foreign markets for Argentine fishery products. During the first 9 months of the agreement, Bajamar was the main company supplying the Soviets. Frigorífico Gepa had reportedly gone out of business by mid-1988, but most companies supplying fish to the Soviets were doing

Table 8.—Soviet fish catch in Argentine waters by Species, 1987<sup>1</sup>.

Species	Quantity (1,000 t)
Patagonian grenadier	31.4
Grenadier	17.6
Southern blue whiting	17.3
Squid	4.8
Antarctic hake	1.1
Argentine hake	1.1
Native cod	0.6
Patagonian toothfish	0.6
Kingklip	0.3
Rays	0.2
Other	1.8
Total	76.8

<sup>1</sup>Covers catch in Argentine waters during the first 6 months of the bilateral agreement, June-November 1987.

Table 9.—Names of marine species commonly found in Argentine waters and caught by Soviet fishing vessels.

Spanish name	English name	Scientific name
Abadejo	Kingklip	<i>Genypterus blacodes</i>
Anchoita	Argentine anchovy	<i>Engraulis anchoita</i>
Bacalao austral	Marid or native cod	<i>Saliota australis</i>
Brótola	Squirrel hake	<i>Urophycis brasiliensis</i>
Calamar	Common squids	<i>Loligo</i> spp.
Grenadero	Grenadier	<i>Macruronus</i> spp.
Krill	Antarctic krill	<i>Euphausia superba</i>
Merluza austral	Antarctic hake	<i>Merluccius australis</i>
Merluza de cola	Patagonian grenadier	<i>Macruronus magellicanus</i>
Merluza comun	Argentine hake	<i>Merluccius hubbsi</i>
Merluza negra	Patagonian toothfish	<i>Dissostichus eleginoides</i>
Nototenia	Southern cod	<i>Nototenia</i> sp.
Palometa	Pompano	<i>Parona signata</i>
Pampanito	Butterfish/Pomfret	<i>Stromateus maculatus</i>
Polaca argentina	Southern blue whiting	<i>Micromestisius australis</i>
Rubio	South Atlantic rockfish	<i>Helicolenus dactylopterus</i>

so through Bajamar. Estimates of the value of the Soviet catch during the first 6 months of operations indicate that Soviet purchases were on line with the 30 percent purchase requirement (Table 10). Details on Soviet purchases of Argentine fishery products during the first full year of the agreement were not yet available, but purchases through the first 9 months of the agreement totaled over \$15 million. The Soviets paid for the fish with

hard currency, reportedly providing 90 percent up front.

The Soviets have primarily used the port facilities at Punta Quilla (see map), but are also allowed to use the facilities at Buenos Aires, Caleta Oliva, Comodoro Rivadavia, Puerto Deseado, Rio Gallegos, San Antonio Este, San Julian, and Ushuaia. In February 1988, Soviet officials expressed interest in developing Bahia Blanca as a modern fishing port. The Soviets apparently wish to use the repair facilities at that port, and negotiations for a port development project were scheduled for August 1988. According to press reports, the Argentine Government had approved the use of Bahia Blanca for 10 Soviet vessels, which were to land an estimated 40,000 t of fish at that port. These reports, however, have been denied by the Argentine Government.

Reports of "irregularities" in Soviet practices under the fishing agreement have been widespread in the Argentine press since the Soviets commenced fishing activities in May 1987. Reported irregularities have included the following:

**Polish transshipments:** Argentine fishermen alleged that a Soviet vessel operating off Argentina loaded a cargo of processed fish from a Polish factory ship that had been fishing in the FICZ under FIG license, which was apparently a violation of the 1986 Argentine-Soviet bilateral agreement. Soviet Foreign Minister Edward Shevardnadze, during his October 1987 visit to Argentina, denied any knowledge of the incident.

**Argentine labor:** Argentine dissatisfaction with the agreement flared up again later in 1987, when the Soviets landed their first shipment of fish at the southern port of Punta Quilla. Local stevedores were angered by the Soviet refusal to use Argentine labor to unload the cargo. The Soviet insistence on using their own workers, however, was not a violation of the bilateral agreement.

**Argentine inspectors:** The Argentine inspectors aboard the Soviet and Bulgarian vessels have reported various technical violations such as the use of

double nets, thus reducing the effective size of the mesh from the allowable 100 mm to only 60 mm. This practice has caused an uproar among Argentine fishermen, because such small mesh retains juvenile as well as adult fish, thus endangering the resource. Argentine inspectors have also reported difficulty in obtaining catch data from the vessel captains and in obtaining access to radios for reporting their observations. Most of these complaints, however, came from inspectors on board the Bulgarian—and not the Soviet—vessels.

**Export sales:** Argentine businessmen have also claimed that a Soviet-Spanish joint venture, SOVISPAN, has marketed some of the fish purchased by the Soviets from Argentine processors in Greece (the seventh most important market for Argentine fishing companies in 1987), which would be another violation of the agreement. These activities by the Soviets would be particularly disturbing to Argentine fishermen, as the Argentine fishing industry is highly dependent on export markets (due to the limited domestic demand for fish).

**Vessel registration:** According to press reports of May 1988, the Naval Prefecture has licensed 29 Soviet vessels, 11 more than the 18 allowed by the original agreement. Critical press reports claimed that the Alfonsín Administration had overstepped its authority and had increased the Soviets' catch allotment to almost 300,000 t without consulting the Chamber of Deputies. These same press reports claimed that as many as 48 Soviet vessels might be operating in Argentine waters before the current agreement expired in May 1989. The companies participating in the joint ventures with the Soviets, however, insist that the Soviets never operated more than 18 vessels at a given time. The additional vessels licensed enable a full fleet of 18 vessels to operate at all times, as they could rotate with vessels in need of repairs or supplies.

### Political Controversy

The opposition Justicialist (Peronist) Party has tried to politicize the

**Table 10.—Value of the fish processed by Soviet vessels operating in Argentine waters, May-November 1987.**

Species and product form	Quantity (t)	Value <sup>1</sup> (US\$1,000)
Patagonian grenadier		
Tronco	15,477.6	6,191.1
Whole	1,109.8	332.9
Headed/gutted	1,079.8	439.9
Other	305.2	106.8
Grenadier		
Headed/gutted	4,861.1	2,187.5
Tronco	2,470.9	1,111.9
Roe	35.2	70.3
Fillets	0.8	0.4
Southern blue whiting		
Headed/gutted	2,838.0	1,419.0
Loins	1,915.6	1,915.6
Whole	1,304.8	391.4
Tronco	824.6	412.3
Other	596.3	209.7
Fillets	414.8	331.8
Fishmeal	6,552.8	1,965.9
Squid		
Tube	1,405.1	2,529.1
Whole	798.0	558.6
Fillets	461.3	645.8
Tentacles	407.0	162.4
Antarctic hake		
Fillets	244.9	372.5
Tronco	212.6	327.0
Headed/gutted	89.6	147.3
Argentine hake		
Fillets	113.1	124.9
Headed/gutted	107.0	64.2
Tronco	264.7	158.8
Fish oil	304.8	112.8
Entrails	295.6	NA
Patagonian toothfish		
Headed/gutted	97.2	48.6
Fillets	81.8	69.6
Tronco	16.0	8.0
Native cod		
Headed/gutted	146.8	205.5
Tronco	36.2	43.1
Fillets	11.6	23.2
Kingklip		
Tronco	56.8	79.6
Fillets	23.4	46.5
Whole	22.7	11.3
Headed/gutted	0.8	1.4
Squirrel hake		
Headed/gutted	12.8	9.0
Roe	10.6	21.2
Southern cod		
Headed/gutted	7.9	4.0
Other	61.7	29.1
Total	45,076.3	22,889.0

<sup>1</sup>Values are estimates, and merely provide a general idea of the value of the Soviet catch.

fishing agreement, possibly because of the upcoming (14 May 1989) presidential election. Peronists have widely criticized the Alfonsín Administration for its management of the bilateral fishing agreement. One Peronist legislator complained that, despite the reports of transgressions by the on-board inspectors, the Alfonsín Administration has taken no administrative action against the Soviets (or Bulgarians). The Peronist Vice-Governor of Buenos Aires, Luis María Macaya, claims that Soviet and other foreign vessels are operating illegally less than 100 miles from Mar del Plata, Argentina's primary fishing port, and causing "irreparable damage" to the fishery resource. Other politicians have spoken against the fishing agreement as well. Former Argentine President Arturo Frondizi opposes the agreement because it gives the Soviets access to Argentine ports. Eight Peronist members of the National Chamber of Deputies sponsored, in May 1988, two bills demanding that the Alfonsín Administration provide better information about new developments and changes in the fishing agreement with the Soviets. The bills would have required the President to report on: 1) Whether the Soviets were supporting the Argentine claim to the Falklands by fishing in the FICZ without buying FIG licenses, 2) the names of the Argentine companies that have formed joint ventures with the Soviets and the criteria used in their selection, 3) Soviet catch statistics, 4) the names of the Soviet vessels that have been registered with the Naval Prefecture, 5) whether the Soviets have been authorized to catch as much as 290,000 t, and 6) whether the Soviets have paid the correct fees for their fishing licenses. The bills were defeated.

CAPeCA prepared a report in late 1988 acknowledging that the Soviets had complied with the terms of the accord. The report does stress, however, a significant difference between Soviet and Bulgarian compliance with the terms of the treaties. CAPeCA notes repeated Bulgarian violations and demands that the agreement with Bulgaria be allowed to expire. Never-

theless, CAPeCA, which has always been vehemently opposed to the Soviet agreement, remained opposed to the continuation or expansion of the current accord, fearing a depletion of Argentina's fishery resources. The CAPeCA report stressed that large-scale studies of the fishery resources on the Patagonian Shelf are needed before Argentina permits any further foreign fishing. Not surprisingly, they also advocated the expansion of the domestic fishing industry before any more foreign fishermen are allowed to operate in Argentine waters.

Despite widespread criticism of the Soviet fisheries agreement, not all Argentines oppose it. Bajamar and the other companies involved in joint ventures with the Soviets prepared a report in March 1988, depicting the agreement in a very positive light. The report addresses many of the criticisms leveled against the Soviets in the press. Some press reports, for example, had claimed that the Soviets were required to buy a quantity of Argentine processed fish (product weight) equivalent to 30 percent of the catch (live weight). The report points out that the joint venture agreement between the Soviets and the companies supplying fish to them clearly requires that the Soviet purchases equal 30 percent of the value of the catch—not of the quantity. According to the joint venture partners, Soviet purchases actually exceeded 30 percent of the value of their catch, totaling 15,000 t (through 31 December 1987), valued at \$15 million. This product was processed by 19 Argentine companies, and was mostly supplied to the Soviets through their most active joint venture partner, Bajamar. The report also provides details on the overall benefits of the agreement to the Argentine economy. During the first 9 months of the agreement, Argentina received \$22.5 million in foreign exchange from Soviet payments for purchases of Argentine fishery products, licensing fees, wages for Argentine fishermen working on Soviet vessels, port charges at Santa Cruz and other ports, supplies for the vessels and vessel services and repairs (Table 11).

**Table 11.—Foreign exchange generated for Argentina by the Soviet fishing agreement, May 1987-March 1988<sup>1</sup>.**

Soviet expenses	Amount (US\$1,000)
Purchases of Argentine fish	\$14,475
Licensing fees	1,000
Wages for Argentine crew	1,200
Port charges	
Santa Cruz	1,120
Other ports	1,070
Port supplies	
Santa Cruz	950
Other ports	600
Vessel repairs	815
Spending by Soviet personnel	515
Other miscellaneous expenses	400
Administrative costs	385
<b>Total</b>	<b>\$22,530</b>

<sup>1</sup>This data is for a 9-month period only. Total foreign exchange expenditures for the first 12-month period were projected to be \$30 million. Total costs to the Soviets for the fish they caught (not including the fish purchased from Argentine companies) may amount to \$10 million of that total, which with a 12-month catch of 180,000 t would be a hard-currency cost of about \$55/t. Ruble operating costs are not known.

## Agreement Renewed

Argentine Undersecretary for Fisheries, Luis Jaimes, announced on 30 October 1988 that Argentina planned to renew the Soviet bilateral agreement for a third year, through 18 March 1990. The renewal occurred under the provision of the original 2-year agreement stipulating that if neither government objected to the agreement's renewal 6 months before it was set to expire, it would automatically continue for another year.

## Conclusions

The Soviet Union has patiently persisted in its efforts to develop a relationship with Argentina which would permit access to the rich fishing grounds of the Patagonian shelf. The brief Soviet fishery conducted in the late 1960's demonstrated to the Soviets that sizeable catches could be achieved off Argentina. Soviet interest in an access agreement can be gauged by their persistence in pursuing negotiations despite being confronted with numerous obstacles. The Soviets have encountered repeated difficulties in building that relationship, including the traditional Argentine hostility toward foreign exploitation of its natural resources, extended jurisdiction,

military action against and heavy fines for fishing vessels operating illegally, virulently anti-communist governments, suspicion of military officers toward communist countries, and costly hard currency payments.

It was not until Argentina's disastrous confrontation with the British over the Falklands, however, that Argentine officials even began to seriously consider an access agreement with the Soviets. Nevertheless, the Argentines still demanded tough terms for Soviet access (including marketing limitations, development assistance, employment of Argentine workers, purchase commitments, etc.). The Soviets, having persevered in their diplomatic efforts for 20 years, were forced to choose between Argentina's costly terms, the purchase of FIG licenses, or a withdrawal from the southwest Atlantic. The Soviets finally acceded to the Argentine terms. Other countries (Germany, Japan, Korea, Poland, and Spain) which had been operating off the Falklands prior to the declaration of the British FICZ have generally been unresponsive to persistent Argentine diplomatic efforts aimed at negotiating access agreements. These countries maintain that the stringent demands of the Argentine Government would make operations off Argentina unprofitable.

The Argentine-Soviet relationship seems to have proven beneficial to both countries. The benefits to Argentina, however, are easier to evaluate than those achieved by the Soviets. Probably the most important benefit for Argentina is diplomatic in nature: The agreement gives at least some international recognition for Argentina's Falklands claim. Argentina had hoped to negotiate agreements with the non-communist countries fishing off the Falklands, but were only successful in doing so with the Soviets and the Bulgarians. As a result, the Argentines are probably tied more closely to the Soviets than they would like.

In trade relations, the fisheries agreement was one way of placating Soviet demands for a more equitable economic relationship. The Soviets are a major purchaser of Argentine agri-

cultural goods, while Argentina buys little from the Soviets in return (Fig. 4, Table 7). The importance of this trade requires the Argentines to make some efforts to respond to Soviet demands for a more equitable relationship. A fisheries allocation in an area not heavily utilized by Argentine fishermen was a relatively painless concession for the Argentines.

The Soviets also provide a variety of economic benefits, including the payments to the Argentine Government, fishing companies, and workers as well as development assistance. The Soviet payments (including purchases of Argentine fish) totaled about \$30 million in the first year of the agreement (Table 11). These payments to economically depressed Argentina have provided badly needed foreign exchange and have proven profitable to the companies working with the Soviets.

Soviet motives in pursuing the Argentine relationship are less clear-cut. The principal Soviet motivation appears to be obtaining allocations for its distant-water fleet, but the actual economic calculation as to the true economic benefits are difficult to calculate. The Argentine agreement appears to benefit the Soviets in three principal ways: Allocations and diplomatic and economic/commercial advantages.

The agreement provides an allocation of 180,000 t of demersal fish and squid. The enormity of the Soviet distant-water fleet necessitates that they maintain access to fishing grounds off the coasts of other countries—which has proven to be increasingly difficult. The Soviets are especially interested in Argentine grounds because the demersal species occurring there can help offset declining catches of their most important demersal species—Alaska pollock. (Soviet catches of Alaska pollock dropped from 3.58 million t in 1986 to 3.42 million t in 1987.) The Argentine allocation is one of the largest received from any coastal country. The various demersal species (blue whiting, grenadiers, etc.) may become occasional substitutes for pollock in the Soviet market. The Soviet interest appears to be focused pri-

marily on the fishery allocation. The fact that the Soviets have pursued an access agreement—even with virulently anti-communist Argentine governments in power—for 20 years suggests a fish allocation has been, and continues to be, their principal objective.

The fisheries agreement with Argentina was also in line with the general Soviet foreign policy goal of supporting developing countries on anti-colonial issues. While the nature of the Falklands/Malvinas issue is certainly debatable, it is portrayed by Moscow and Buenos Aires as a colonial issue.

The fisheries agreement is also in line with recent Soviet initiatives to broaden commercial and economic contacts in Latin America. The Soviet initiative has included efforts to sign fishery or fishery-related agreements with other Latin American countries, including Panama, Peru, and Uruguay. Latin America for years had been a backwater for the Soviet Union. Limited Soviet interests in the area and the hostility of many governments caused the Soviets to place a fairly low priority on relations with the region. The Soviets did not even maintain diplomatic relations with several countries. Expanded fishery contacts, as part of the new initiative, have the side benefit of expanding their information gathering capability. In previous years a fairly small number of Soviet diplomats were stationed in Latin America. With expanded diplomatic contacts, new commercial activity, and exchanges of crew members through ports in Argentina, Cuba, Panama, Peru, and Uruguay, a much greater number of Soviet nationals are now in the region, considerably expanding the Soviet capability to gather information as well as conduct covert activities.

The actual economic benefits of the Argentine agreement for the Soviet Union are difficult to assess. The Soviets are paying an exceedingly low licensing fee of only about \$7 per ton. This would appear inexpensive compared to the \$78 per ton for Pacific hake and \$95 per ton for Alaska pollock that the United States charges foreign fishermen operating in the U.S.

EEZ. Several factors need to be taken into account, however, when evaluating the economic benefits to the Soviets.

First, most of the species taken off Argentina are less desirable than Pacific hake and Alaska pollock. The species taken by the Soviets in large quantity are not familiar to Soviet consumers, and fishermen report that one of the principal species, southern blue whiting, is frequently infested with parasites, further reducing its appeal to Soviet consumers. Second, Soviet operating costs off Argentina are high because of the great distance from Soviet ports.

Third, the agreement requires that many expenditures besides licensing fees be made in hard currency. The foreign currency costs alone are about \$55 per ton. Note, however, that this figure does not include the substantial hard currency outlays required to purchase Argentine fish, as required by the bilateral agreement. The agreement also stipulates that the Soviets cannot resell the fish on the international market to recoup the hard currency payments. Without additional data on the overall Soviet operating costs, however, it is not possible to evaluate the economics of the Soviet operations off Argentina. While the economics of the Soviet operation are not fully known, one should remember that the countries operating commercial fisheries in the South Atlantic (the European Community, Japan, Korea, Spain, etc.) have all declined to sign similar arrangements with the Argentines.

The long-term outlook for the Soviet-Argentine fisheries relationship appears positive. The Argentines seem likely to continue the agreement considering the benefits accruing to them. In addition, having expended considerable diplomatic efforts in trying to sign agreements with various countries, the Argentines are less likely to eventually pull out of the only agreements they were able to conclude.

There are, however, some domestic political costs as the principal opposition party, the Peronists, have been critical of the agreement. (The polit-

ical costs are somewhat reduced by the fact that the Argentine Congress does not have to approve future renewals of the agreement. Renewal merely requires inaction on the Government's part. Renewal requires neither debates in the Chamber of Deputies nor bilateral negotiations; all that is needed for the agreement to continue is for neither country to file a written objection to its continuation.) Despite this, Peronist Presidential candidate Carlos Saul Menem (who had enjoyed a 20 percent lead in the polls) does not seem to be predisposed to cancelling the agreement. Menem, in a December 1988 interview, expressed a desire for stronger commercial relations with the Soviets, which he already characterized as "very good." Nevertheless, even if Menem were opposed to the agreement, he would be powerless to cancel it before March 1991. The deadline for refusing renewal through that date is in October 1989, 2 months before Menem (or whoever is elected) is scheduled to be inaugurated. A Lamé Duck Alfonsín Administration (which has already renewed the agreement once) would have nothing to lose politically and, as a result, would likely renew it for the 1990-91 period.

Ironically, if the agreement is terminated during the next few years, it may well be the Soviets who cancel it. Some observers maintain that the agreement was a last resort for the Soviet Fisheries Ministry. The terms demanded by Argentina—and granted by the Soviets—may have been among the most costly in the history of Soviet fisheries diplomacy, although the full cost of operating off Argentina cannot be determined. From the Soviet perspective, one of the most difficult requirements is that they have to pay for fishing rights (through licensing fees and fish purchases) with foreign currency. This is highly unusual for the Soviets. Other Soviet access agreements negotiated with developing countries have generally stipulated that the Soviets pay with a share of their catch, rather than foreign currency.

Most Soviet fishery agreements are with the developing countries. The Soviets also have, however, various

access and cooperation agreements with Canada, Finland, Iceland, Japan, New Zealand, Norway, and Sweden. Most of the allocations received by the Soviets are obtained by offering reciprocal fishing rights, such as the agreement with Japan. The Soviets do obtain additional quantities of fish through over the side purchases from fishermen. These purchases are often in hard currency, but the Soviets are usually able to generate sufficient hard currency earnings from the resale of part of the product so that there are no net hard currency costs. For example, the Soviets currently buy Pacific hake over the side from U.S. fishermen for about \$110 per ton and pollock for about \$130 per ton. Unconfirmed reports suggest that part of the purchases are processed and exported, more than paying for the initial hard currency costs.

It is even more unusual that the Soviets have agreed to commit hard currency costs for purchases of fishery products which will primarily be marketed in their domestic market. The species taken off Argentina almost certainly will be marketed domestically, except for the squid. The squid catch, however, is only a small part of the take within Argentine waters (Table 8). As part of the terms of the agreement with Argentina, the Soviets have to limit catches of the most desired species in the Southwest Atlantic—hake. As a result, some observers have concluded that the Soviets only signed the agreement because there was no place else to fish; they had been effectively shut out of the Falklands fishery by the declaration of the FICZ (barring Soviet purchase of FIG licenses). It may well be, however, that the Soviets are able to combine the allocations off Argentina with their fishing outside of 200 miles (The Soviets use the port services at Montevideo for supply ships and fishing vessels not authorized to fish in Argentine waters. The Soviets signed a fisheries agreement with Uruguay in April 1987, but the agreement proved controversial in Uruguay and has not yet been ratified by Uruguay.) to produce fish at an acceptable price. Without

additional data on the economics of Soviet fishing in the South Atlantic, it is impossible to draw any firm conclusions on this question.

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