SOME ASPECTS AND ISSUES CONCERNING
THE KIRIBATI/SOVIET UNION FISHING AGREEMENT

David J. Doulman, Ph.D.

May 1986
The marine motif on the cover has been specially designed for the tuna project by Sam Adelbai Ra Airai of Palau. Mr. Adelbai Ra Airai is an artist intern with the Institute of Culture and Communication at the East-West Center. The motif symbolizes clams and fish in a traditional Palauan design. According to legend the clam gave birth to the island of Palau, and the fish symbolizes fertility, food, and life.
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<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>v</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Background</td>
<td>2</td>
</tr>
<tr>
<td>Economy</td>
<td>5</td>
</tr>
<tr>
<td>Tuna</td>
<td>6</td>
</tr>
<tr>
<td>ATA Agreement</td>
<td>7</td>
</tr>
<tr>
<td>Kiribati's Reaction</td>
<td>8</td>
</tr>
<tr>
<td>Soviet Agreement</td>
<td>9</td>
</tr>
<tr>
<td>Domestic Politics</td>
<td>10</td>
</tr>
<tr>
<td>International Response</td>
<td>11</td>
</tr>
<tr>
<td>Soviet Presence</td>
<td>14</td>
</tr>
<tr>
<td>Further Agreements</td>
<td>15</td>
</tr>
<tr>
<td>Conclusion</td>
<td>16</td>
</tr>
<tr>
<td>Notes</td>
<td>19</td>
</tr>
<tr>
<td>References</td>
<td>20</td>
</tr>
</tbody>
</table>

**LIST OF FIGURES**

| Figure 1: Kiribati and Pacific island countries                       | 3    |
| Figure 2: EEZs of Nauru Group countries                                | 4    |
ABSTRACT

In 1985 the Republic of Kiribati concluded a controversial and historic tuna fisheries agreement with the Soviet Union. The agreement attracted widespread international interest and generated heated domestic debate. This paper traces the origins of the agreement and outlines the reasons why its conclusion was expedient and wise for Kiribati as a means of furthering the country's development goals. Speculation is also made as to the likelihood of other Pacific island countries entering into fisheries arrangements with the Soviet Union.
INTRODUCTION

The Republic of Kiribati is a small, economically dependent country located in the central Pacific Ocean. It is largely unknown outside the Pacific islands region. In 1985 Kiribati concluded a controversial tuna fisheries agreement with the Soviet Union, the first such agreement in the region. Its conclusion provoked intense political debate within Kiribati and aroused considerable interest abroad. This paper analyzes the origins of the agreement and discusses why its conclusion with the small Pacific island nation has been the focus of extensive international attention.

The paper commences with a brief introduction to Kiribati's geography, colonial history, population, and political system. This is followed by a description of aspects of the economy and the government's development objectives, an understanding of which is required to put the agreement in perspective from Kiribati's point of view. Kiribati's domestic tuna industry is then reviewed, along with the approach adopted by government to exploit and manage the country's distant-water tuna fishery.

Elements of the 1983-84 fisheries agreement that existed between the American Tunaboat Association (ATA), Kiribati, the Federated States of Micronesia, and Palau are outlined in the next section of the paper. The reasons for the breakdown of this agreement are also discussed. Kiribati's reaction to the collapse of the ATA agreement is analyzed, and pertinent aspects of the fisheries agreement with the Soviet Union are explained. This is followed by a review of the international response to Kiribati's agreement with the Soviet Union and a discussion of the Soviet presence in the Pacific islands.

The next section of the paper addresses Kiribati's domestic political issues associated with the conclusion of the agreement. Finally, the possibility of further Soviet agreements in the Pacific islands region is discussed before some conclusions are drawn about the current Kiribati/Soviet Union agreement.
Kiribati is a micro-state located in the central Pacific Ocean (Figure 1). The country is composed of 33 low-lying atolls, consisting of three main groupings—the Gilberts proper, Phoenix, and northern and southern Line islands (Carter 1984:231). The national capital, Tarawa, is located in the Gilberts Group.

The total land area of Kiribati is 690 square kilometers (km$^2$). It is the sixth largest country in the Pacific Islands region (Australia 1984:170). One island, Kirimati (Line Group), accounts for 53 percent (363 km$^2$) of the country's land area (Connell 1983:2). The country's land area and its limited rainfall, coupled with the shallow and poor nature of its soil (about 2.5 meters, composed predominantly of sand, covering coral, and rock substrata) and its low water-holding capacity, constrain extensive and diversified agriculture (Connell 1983:3). However, Kiribati's non-contiguous Exclusive Economic Zone (EEZ), covering 3.6 million km$^2$ of the Pacific Ocean (Figure 2), is the second largest zone in the Pacific islands region (South Pacific Commission [SPC] 1984:5).

Kiribati achieved political independence from Britain in 1979. The Gilbert (Kiribati) and Ellice (Tuvalu) Islands were annexed by Britain in 1916 and they were administered jointly as a single colony. However, in 1974 the Polynesian Ellice Islanders decided by referendum to secede from the Micronesian Gilbert Islanders (Carter 1984:249). This secession was administratively formalized in 1975 and it set the Gilbert (Kiribati) and Ellice (Tuvalu) Islands on their separate roads to nationhood. Britain has retained financial and other ties with Kiribati since independence, and the country is a member of Commonwealth of Nations.

Kiribati has a small population, but one that is growing at quite a rapid rate relative to the country's resource base. At the time of the last national census (1978) the population totaled 56,000, and it was increasing at an estimated rate of 2.1 percent per year (SPC 1984:5). The country's population density in 1978 was 85 persons per km$^2$. This density is significantly higher than the average rate (22 persons per km$^2$) for the Pacific islands region overall excluding Papua New Guinea. However, in the Gilberts Group the population density in 1978 was 200 persons per km$^2$, making this group one of the most densely populated areas in the region (Connell 1983:3). In an attempt to ease the Gilberts' overpopulation, the government has initiated a resettlement program to assist people in migrating to the less densely populated outer islands (Islands Business, April 1985:11).

Kiribati's population density will become even greater as the country's young population matures; 41 percent of the population was under the age of 15 years in 1978. Thus the government's policy objective of maintaining and improving living standards will become progressively more pressing and difficult. For this reason the Jackson Committee (Australia 1984:8, 170) proposed that Australia make limited opportunities available for immigration from Kiribati and Tuvalu.
Figure 1: Kiribati and Pacific island countries
Figure 2: EEZs of the Nauru Group countries
In 1978, 32 percent of Kiribati's population lived in Tarawa. It is estimated that over the period 1978-93 this center will grow at an annual rate of 4.3 percent (Carter 1984:231).

The adult literacy rate of the population in 1980 in Kiribati was 95 percent (Australia 1984:170). This rate is comparable with rates in most Polynesian and Micronesian countries but markedly higher than in Melanesian countries. A high literacy rate implies a well-informed population and one that is capable of participating fully in the political process.

Kiribati is a Republic and the President (Beretitenti) is head of state and head of government. The President is elected by the people and in turn appoints a cabinet from the Maneaba-ni-Maungatabu (parliament). It is a single chamber legislature consisting of 36 members besides the president. Presidential and parliamentary elections are held every four years (Carter 1984:232-33).

**ECONOMY**

Prior to 1979 Kiribati's economy was largely dependent on exports of phosphate, which was mined on Ocean Island and exported primarily to Australia and New Zealand. In 1979 phosphate accounted for 89 percent (US$20 million) of Kiribati's export income (Carter 1984:239). However, mining ceased at the end of 1979. Since then efforts have been made by government to find internal sources of revenue to make up for the loss of phosphate exports, and to progressively diversify the economy as a means of making the country more financially self-reliant.

Copra is now Kiribati's dominant export commodity, accounting for about US$2-2.5 million annually, marginally ahead of tuna, which was estimated to be valued at US$2 million in 1985. A range of other exports such as handicrafts and shark fins is small but important.

Since 1979 Kiribati has run an annual trade deficit. The value of imports—which mainly consist of food, fuel, and manufactures is four to six times greater than the value of the country's exports. Balance of payments deficits are avoided by a variety of aid and related capital inflows.

Since 1983 Kiribati's development efforts have essentially focused on (1) broadening the economy's base, (2) promoting import substitution, and (3) reducing the cost of government by selectively reducing the size of the public service. The country's National Development Plan 1983-86 (Kiribati 1983) devotes special attention to the promotion of a domestic tuna industry as a means of utilizing the country's most abundant natural resource and of achieving economic diversification. Other development avenues—such as agriculture and manufacturing—are limited by human, natural, locational, and historic factors. Import substitution policies to reduce dependence on food imports, coupled with policies to diversify economic activity, might be expected to have a positive impact on the country's trade balance—either by reducing the deficit or holding it at its current level.
Kiribati, like several other small Pacific island countries, is likely to remain heavily—and possibly permanently—dependent on outside development assistance. Kiribati currently receives aid from a range of countries, including Australia, Britain, Japan, and New Zealand, as well as from organizations such as the European Economic Community and the United Nations Development Programme. Concessional assistance also comes from the Asian Development Bank, which has been active in providing funds for the development of the domestic tuna industry. In 1982 Kiribati's aid inflow was US$258 per head (Australia 1984:170), while in 1984 aid accounted for about 64 percent (US$8 million) of the budget (Islands Business, September 1985:19).

Financially, Kiribati is encountering difficulties on several fronts. Decolonization grants from Kiribati's primary source, Britain, have been progressively reduced since 1979. British assistance is provided on a year-to-year basis, which makes forward planning difficult. The 1985 British grant fell by 46 percent from the level of assistance provided in 1984, to US$0.9 million. There is no certainty that assistance from Britain will be forthcoming after 1986 (Islands Business, April 1985:10). In addition, internally generated revenue from a range of other activities—such as sales of postage stamps to collectors—has dropped for reasons beyond Kiribati's control.

In 1985 Kiribati's budget was US$12 million (Islands Business, April 1985:10). Prior to the conclusion of the fishing agreement with the Soviet Union in 1985, it was estimated that revenue from distant-water fishing agreements yielded about US$1.5 million annually or approximately 13-15 percent of the budget (Kiribati 1983:105). With revenue from the Soviet agreement, the combined income from Kiribati's distant-water fishing agreements will account for about 25 percent (US$3 million) of the budget in 1986.

In an effort to boost economic activity and employment and thereby to make Kiribati more financially self-reliant, the government is trying to attract foreign investment. To facilitate an expansion in investment activity, the government has streamlined the application process for foreign investment approvals, and it will attempt to overcome investment bottlenecks associated with lack of infrastructure (Marshall Islands Journal, October 1985:7). However, the government recognizes that the goals of expanding economic activity and fostering foreign investment will not be easily achieved (Islands Business, April 1985:11).

**TUNA**

The South Pacific Commission's tuna assessment program indicates that a large skipjack tuna (Katsuwonus pelamis) resource exists in the Pacific islands region (Kearney 1983). Furthermore, the resource is capable of yielding a significantly greater harvest than is currently being taken. A variety of other species of tuna—including yellowfin (Thunnus albacares) and albacore (Thunnus alalunga)—also occurs in the region and is harvested by domestic and distant-water fishermen. In 1984 an estimated 630,000 tonnes of tuna of all species were harvested in the Pacific islands region,
Kiribati's National Development Plan 1983-86 highlights fisheries development because the government recognizes that the country's marine resources are "the most valuable resource currently available to Kiribati." (Kiribati 1983:96). Special emphasis is devoted to tuna development and its exploitation by artisanal fishermen and the country's domestic fleet as well as by licensed distant-water vessels.

Consistent with the country's development plan, Kiribati has established a small but progressive domestic tuna industry. The industry involves the exploitation of tuna by both artisanal fishermen and an industrial fleet. Four pole-and-line vessels operate in conjunction with one carrier boat that transports fish from Kiribati to canneries in Fiji and American Samoa. Artisanal catches are consolidated with the industrial catch for export to the canneries. In 1984 the industrial fleet landed about 2,300 tonnes of tuna, while the commercial artisanal catch was approximately 400 tonnes (Doulman and Kearney 1986). Kiribati's domestic industrial fishery directly employed 150 persons in 1983, and after the government, it was the country's largest wage employer (Dalley 1984:6-7). Kiribati's tuna industry is unique in the Pacific islands in that it (1) has successfully married the artisanal and industrial components, (2) is a "home-grown" industry closely allied with the country's development goals and capabilities, and (3) is largely independent both operationally and managerially.

Historically, longline and pole-and-line vessels from Japan and Korea operated under license in Kiribati's EEZ. According to the National Development Plan 1983-86, Kiribati's objectives with respect to the distant-water fishery are (1) to conclude access agreements with all nations wanting to fish in its waters, (2) to obtain a fair return from the exploitation of its tuna resources, (3) to maintain controls on the operations of foreign vessels in the country's EEZ, (4) to collect and analyze fisheries catch data, (5) to place observers on foreign fishing vessels to aid licensing compliance, (6) to promote regional cooperation in the regulation of fishing in the Pacific islands region, and (7) to generate employment and develop national fishing skills (Kiribati 1983:98-9). These objectives are universally accepted in the Pacific islands region as being appropriate and necessary for countries seriously promoting the development of their tuna industries.

Kiribati's bilateral Japanese and Korean access agreements have been in place since the late 1970s and have yielded Kiribati a reliable and stable financial return each year. In addition, Kiribati has been party to one regional ATA agreement. The tuna agreement negotiated with the Soviet Union—through the state fishing company Sovrybflot—is a bilateral agreement of one year's duration.

ATA AGREEMENT

Kiribati joined the Federated States of Micronesia and Palau to license ATA purse seiners in 1983. The Marshall Islands and Papua New

Pacific Islands Development Program
East-West Center
Guinea also participated in the preliminary negotiations for the agreement but opted not to sign. The agreement, for two years—from January 1983 to December 1984—permitted licensed ATA vessels to fish in the EEZs of the signatory island countries in return for access fees. Fee levels were determined by negotiation with the ATA and were set at US$55 per net registered tonne (NRT) of vessel per year for the first year of the agreement, rising to US$60 per NRT in the second year. These terms meant that the owner of a typical ATA purse seiner of 600 NRT paid US$33,000 to fish in the EEZs of the signatories in 1983 and US$36,000 in 1984.

License fees paid by ATA members under the 1983-84 agreement were significantly less than the annual fees paid by owners of Japanese purse seiners for access to the region's EEZs. In Papua New Guinea alone, depending on tuna prices and the number of trips made per year, Japanese purse seine owners paid US$48-60,000 per year for access.

The lower level of fees paid by vessel owners under the ATA agreement, vis-a-vis other distant-water fleets operating in the Pacific islands region, effectively represented a subsidy to the ATA fleet by the participating Pacific island countries. These countries were unable to permit this situation to continue, because other distant-water fishing fleets operating in the Pacific islands were agitating for a reduction in access fee levels to bring their fees in line with those paid by the ATA fleet. This fundamental inequality in fee levels and the insistence by the ATA that its fleet pay even lower fees effectively doomed the agreement.

The Micronesian Maritime Authority acted as administrator for the ATA agreement. License fees received were divided annually among the three participating countries according to the proportion of fish caught in their respective EEZs. The division was made on the basis of catch data supplied by the ATA fleet to the administrator. Industry reports indicated that the two-year ATA agreement yielded participating countries a total of about US$1.5 million (Islands Business, December 1984:43).

At Honolulu in December 1984 the ATA met participating Pacific island countries to negotiate an extension of the agreement. The negotiations became deadlocked and failed. Pacific island countries wanted to increase fee levels to US$65-70 per NRT in order to bring them in line with access fees being paid by other distant-water fleets operating in the region, while the ATA insisted on a reduction to US$30 per NRT. The ATA argued that the depressed state of the world tuna industry and the financial hardships being faced by U.S. boatowners necessitated a reduction in fee levels (Islands Business, April 1985:11).

The termination of the ATA agreement disadvantaged all signatories. The ATA lost its legal access to important tuna fishing grounds in the central and western Pacific, while those island countries lost the revenue that the agreement had generated over 1983-84.

**KIRIBATI'S REACTION**

The loss of revenue from the ATA agreement and its resulting impact on the budget prompted the Kiribati government to seek new distant-water...
fishing nation partners. Kiribati already had tuna fishing agreements with Japan and Korea before the government responded to a request from the Soviet Union to enter into a commercial fisheries arrangement. Prior to approaching Kiribati the Soviet Union had unsuccessfully approached other countries in the Pacific islands region—including Fiji, Papua New Guinea, Solomon Islands, Tuvalu, and Western Samoa—to set up tuna fishing bases.

Negotiations for a tuna fishing agreement between Kiribati and the Soviet Union started in Australia in February 1985. They continued in May in Singapore, with final agreement being reached in Manila in August 1985.

The President of Kiribati, in the face of internal and foreign criticism over the agreement with the Soviet Union, claimed that it had been concluded (1) out of economic necessity and essentially for the same reasons that the United States traded grain with Russia, (2) as a reaction to persistent illegal fishing by U.S. seiners in Kiribati's EEZ, and (3) as a direct result of the collapse of the ATA agreement.

The President indicated that Kiribati, because of its size and limited enforcement capability, could not effectively prevent illegal fishing by U.S. vessels. He said Kiribati found this situation insulting, frustrating and humiliating. He cited the case of the U.S. seiner Carol Linda, which ran aground in Kiribati's territorial waters in January 1985 while allegedly fishing illegally (Pacifica, 1985:7). Kiribati formally protested to the United States government about the incident but to no avail. The U.S. government, unlike other distant-water fishing nations such as Japan, accepts no responsibility for the actions of its fishermen while they are operating overseas. This position led to a significant deterioration in relations between the United States and almost all Pacific island countries, and it has made the U.S. task of negotiating a multilateral tuna treaty with Pacific island countries all the harder.

SOVIET AGREEMENT

Kiribati is a member of the Nauru Group, which is a subgroup of the Forum Fisheries Agency (FFA). The Group consists of seven countries that have contiguous EEZs: the Federated States of Micronesia, Kiribati, the Marshall Islands, Nauru, Palau, Papua New Guinea, and Solomon Islands (Figure 2). Members of the Nauru Group have formally agreed to harmonize terms and conditions of access to their respective EEZs by distant-water fishing fleets and to closely cooperate in licensing and related matters. Kiribati's commitment to the established principles of the Nauru Group is reflected in its agreement with the Soviet Union.

Kiribati's agreement with the Soviet Union is similar to some other distant-water fishing agreements currently in force in the Pacific islands region. In accordance with internationally accepted principles, the agreement explicitly acknowledges (1) Kiribati's sovereign rights to exploit, develop, and manage resources in the country's EEZ, and (2) domestic fisheries legislation and the Law of the Sea Convention. Furthermore, the Soviet Union assumes full responsibility for the actions of its vessels operating within Kiribati's EEZ. These acknowledgments have become standard provisions for tuna access agreements in the Pacific.
islands region. Nonetheless, they are provisions that the ATA refused to acknowledge and accept in its agreements with Pacific island countries.

At a technical level, the Kiribati/Soviet Union agreement incorporates the Nauru Group terms and conditions relating to catch reporting, communications, vessel identification, observers, prohibited areas, and enforcement. The agreement is limited to 17 purse seine and longline vessels and one processing/factory ship. The number and type of vessels—which are individually licensed—are specified in the agreement. Moreover, all vessels licensed under the agreement are required to be registered in good standing on the FFA's Register of Foreign Fishing Vessels. The agreement permits Sovrybflot's supply vessels—which do not engage in fishing—to provision the fishing fleet while it is operating in Kiribati's EEZ. All vessels, including supply vessels, must report by telex as they enter and exit Kiribati's EEZ.

The terms of the agreement permit the Soviet fleet to operate in Kiribati's EEZ for one year beginning October 15, 1985. The fleet is not permitted to operate within the country's territorial seas—that is, within 12 miles of the coast—nor does the fleet have port privileges, except at Tarawa in emergency cases. These restrictions apply to all of Kiribati's distant-water fishing agreements.

The agreement is financially lucrative for Kiribati in that Sovrybflot agreed to pay US$1.5 million for the right to fish in the country's EEZ. The access fees were to be paid in three advance installments, with the first installment due at the commencement of the agreement (Marshall Islands Journal, 1985:6).

At its expiration in October 1986, the agreement will have to be terminated or renegotiated. It cannot be extended after the initial period has elapsed, in contrast to many other open-ended fisheries agreements in force in the Pacific islands region.

The agreement contains terms and conditions that are now considered to be standard for access agreements between Nauru Group countries and distant-water fishing nations. All distant-water fishing countries operating in the Pacific islands region and their tuna industry representatives—with the exception of the United States and the ATA—have formally accepted these terms and conditions as an integral component of access agreements.

DOMESTIC POLITICS

In opening negotiations with the Soviet Union, the Kiribati government generated a heated domestic debate. The reasons for the argument are related in part to (1) the general political awareness of the country's population due to its high literary rate, and (2) the entrenched position of the Christian churches.

During the May 1985 sitting of the Maneaba-ni-Maungatabu, an opposition member of parliament motioned that the Soviet agreement be put to a national referendum prior to its signature by Kiribati. In his speech...
putting forward the motion, the member reviewed Russia's aggression in Afghanistan and Poland and called attention to the possibility of the country's EEZ being dominated by foreign fishing vessels. The Minister for Natural Resources Development introduced an amendment to the motion proposing that the government discuss the agreement before signing it, rather than putting it to referendum. The amended motion was upheld by a wide margin (21 for the amended motion, 14 against, and 2 abstentions) (Bataua 1985:45).

The opposition in the Maneaba-ni-Maungatabu seized the issue of the fishing agreement with the Soviet Union as a means of trying to oust the government through a vote of no confidence. Following a petition from the opposition, a special sitting of parliament was called in late August 1985 (Radio Australia News Service Telex, August 16, 1985). The purpose of the special sitting was to consider the fisheries agreement that had been signed with Sovrybflot and to formally move a vote of no confidence in the government (South Seas Digest, August 1985:1). The vote of no confidence was defeated (19 against the motion, 15 for, 2 abstentions, and 1 absent) (Radio Australia News Service Telex, August 27, 1985). The defeat of the vote led to anti-government demonstrations in Tarawa (Islands Business, September 1985:19).

In an unusual move, the Protestant and Catholic churches, prior to the signing of the agreement in Manila, petitioned Kiribati's President to delay the signing until the Kiribati people had considered the full implications of the agreement (South Seas Digest August 1985:1). These appeals, while being respected by government, did not significantly influence its determination to finalize the agreement.

The agreement also served to heighten religious and geographic differences in Kiribati. Support for the agreement came primarily from Protestant politicians in the southern islands in the Gilberts Group, while Catholic politicians from the northern islands staunchly opposed the agreement (Honolulu Star-Bulletin and Advertiser, January 12, 1986:A-13). Kiribati's President is a Protestant and comes from Nonouti in the southern islands. Support for the agreement from southerners might be seen as support for the President.

The defeat of the vote of no confidence led to the formation of a new political party in Kiribati called the Christian Democratic Party (Pacific Islands Monthly, October 1985:7). The party consists of the 15 members of the opposition who supported the no confidence vote. It remains to be seen if this party will stand the test of time. But it is significant that, due to the Soviet fisheries agreement, popular opinion in Kiribati has been polarized for perhaps the first time, and a serious political party movement has begun.

INTERNATIONAL RESPONSE

The international response to the conclusion of Kiribati's agreement with the Soviet Union was mixed. Two Pacific island countries openly supported Kiribati, while a number of other countries expressed concern. The Prime Minister of Fiji expressed reservations about the agreement.
during the U.S. Secretary of State's visit to Suva in 1985 (Honolulu Star-Bulletin and Advertiser, July 21, 1985:A22). However, following a briefing on the agreement by the President of Kiribati at the 16th South Pacific Forum Meeting in the Cook Islands (August 1985), Papua New Guinea and Vanuatu openly endorsed Kiribati's actions in concluding the agreement (Islands Business, September 1985:19).

In contrast to the support shown by some Pacific island nations was the opposition from Australia, New Zealand, and the United States, which are joined in the ANZUS alliance, a 35-year-old mutual security pact. Understandably, for political and strategic reasons these countries want to minimize the Soviet presence in the region, and they attempted to dissuade Kiribati from entering into the agreement. Indeed, so significant was the agreement to Australia and the United States that it was discussed at length in Washington by the Australian Minister for Defence and the U.S. Secretary of Defense (Radio Australia News Service Telex, August 28, 1985).

The Prime Minister of New Zealand was particularly outspoken about the conclusion of the agreement (Islands Business, April 1985:12). He claimed that much of the Pacific was immune from a Soviet presence and superpower rivalry, and he indicated that the status quo should prevail. However, it might be argued that the strong stand taken by New Zealand on this matter was an attempt both to "mend fences" with the United States over New Zealand's position on nuclear weapons and to prove that it remained firmly committed to the ANZUS alliance.

The United States' response to the agreement was predictable. A brief official statement described it as "unfortunate" (Islands Business, September 1985:19). Since World War II the United States and its ANZUS partners had come to regard the Pacific islands region as their proprietary domain, despite the United States' seeming disinterest in important matters affecting the region's small island states. A report commissioned by the U.S. State Department in 1984 cautioned the United States against continued apathy toward the Pacific islands region and advised that its approach be reassessed if its influence was not to be undermined (Kiste and Herr 1984). Similarly, a 1985 report by the conservative Washington-based Heritage Foundation reinforced Kiste's and Herr's findings and proposed that the United States, essentially in its own interests, end its "benign neglect" of the Pacific islands region (Heritage Foundation, 1985). The Heritage Foundation proposed that the United States (1) conclude a multilateral tuna treaty with Pacific island countries as soon as possible, (2) provide assistance in developing domestic tuna industries in the region, and (3) increase its diplomatic presence in the region. It is also understood that U.S. Pacific military commanders lobbied the U.S. government to improve relations with Pacific island countries (Wall Street Journal, March 5, 1986:28).

Kiribati's agreement with the Soviet Union served to bring home to the United States that Pacific island countries must not be taken for granted. Moreover, the agreement demonstrated, perhaps for the first time, that the interests of the ANZUS allies were not necessarily congruent with the interests of the developing Pacific island nations.
As the negotiations between Kiribati and the Soviet Union progressed, the United States, in an attempt to head off conclusion of an agreement, warned that it would not be in Kiribati's longer-term interests, and that the agreement would lead to greater Soviet intelligence-gathering activities in the Pacific islands region. Moreover, the U.S. government—along with its ANZUS allies—was concerned that port access might eventually be given to the Soviet fleet (Honolulu Star-Bulletin and Advertiser, July 21, 1985:A-22).

Despite their opposition to Kiribati's agreement with the Soviets, both New Zealand and the United States have joint-venture fishing arrangements with the Soviet Union. These arrangements permit Soviet vessels and fishermen to operate within their respective EEZs and oblige them to cooperate with New Zealand and U.S. commercial fishing interests. In addition to joint-venture arrangements, the Soviet Union and Poland were granted a total of 4 percent (58,200 tonnes) of the U.S. foreign fishing allocations in 1985, though the allocation was reduced to zero in 1986 (Pacific Fishing, 1986:16). The United States had been making foreign fishing allocations to the Soviet Union—in return for a fee—since at least 1977. These allocations enabled Soviet fleets to fish the Gulf of Alaska and the U.S. east and west coasts (Larson:undated).

As a counter argument, the Prime Minister of New Zealand claimed that his country's joint-venture agreements with Sovrybflof did not pose a threat to security in the Pacific because the agreements were adequately supervised by New Zealand authorities (Islands Business, April 1985:12). Implicit in the Prime Minister's argument was the notion that Kiribati could not provide such supervision. Nonetheless, to assist Kiribati in its surveillance of the agreement, New Zealand agreed to provide assistance through the use of its air force (Bataua 1985:45).

Australia claimed that it was not concerned about the agreement per se, but about what it might eventually lead to. Australia's main reservation, expressed in writing by its Prime Minister to the President of Kiribati, was that the agreement might provide for port access for the Soviet fleet (Islands Business, September 1985:19). Australia believed that an economic arrangement involving fishing and port facilities could, through time, develop into an arrangement including the installation of a military base.

If fact, Kiribati refused a Soviet request for port access in the first round of negotiations in Australia. At these negotiations the Soviets requested port access to refuel vessels and to take on food and water (South Seas Digest, 1985:2). However, because of volume and cost considerations, provisions required by the fleet could not be realistically supplied at Kiribati's ports. It was also reported that Kiribati declined a Soviet request to base personnel in Tarawa for the duration of the agreement to manage the fleet's operations (Pacific, May 1985:8).

The conclusion of the Soviet agreement served to focus attention on economic conditions in Kiribati, and several countries responded with aid offers. The President of Kiribati stated that the agreement was not intended to elicit such a response. Rather, it was primarily intended to be a vehicle for making Kiribati more financially self-reliant (Pacific Islands Development Program East-West Center).
Islands Monthly, May 1985:17). Nonetheless, the U.S. Agency for International Development responded hastily—and in somewhat of a panic—to the conclusion of the agreement with an offer to assist Kiribati in the development of its domestic tuna industry. The United States also offered assistance through non-governmental agencies, such as an offer of US$453,000 through the Save the Children Federation (South Seas Digest, August 1985:1). However, the United States was reluctant to offer Kiribati outright cash grants because of (1) its tight foreign aid budget, and (2) fear of creating a precedent that would encourage other countries to enter into negotiations with the Soviet Union as a means of gaining access to U.S. aid coffers (Washington Report, 1985:3-4).

Following the U.S. lead, Australia proposed to increase its development assistance to Kiribati, an initiative somewhat consistent with the findings of the Jackson Committee (Australia 1984). Likewise, New Zealand offered to double its aid to Kiribati and to enter into a long-term agreement for technical assistance (South Seas Digest, August 1985:1). Britain remained silent on the aid issue but informally indicated that it might revise its development assistance plans for Kiribati, particularly in view of the uncertainty surrounding its aid contributions after 1986.

In an interesting but not surprising move, the People's Republic of China offered Kiribati aid valued at US$350,000, as well as interest-free loans for developmental purposes (South Seas Digest, August 1985:1). China maintains missions in the Pacific islands region in Fiji, Papua New Guinea, and Western Samoa. It has managed to penetrate the region with virtually no objection from countries of the western alliance primarily because China is not perceived to be a threat in the region in the same way as is the Soviet Union. For this reason western countries, while monitoring activities, do not openly oppose China's initiatives in the region.

SOVIET PRESENCE

Russian interest in the Pacific islands region is not new. It dates back to the 1800s, when curious scientists and traders plied the region's seas in search of interesting people, animals, places, and tradeable goods. But while Russian interest in the region has continued, the Soviet Union has never had formal representation in the Pacific islands, despite an attempt to establish a mission in Tonga in the mid-1970s. The Soviet Union maintains large missions in Australia and New Zealand, and in the absence of representation in the Pacific islands, it is understood that these missions have the responsibility for providing liaison with, and gathering intelligence on, countries in the region.

At various times before and after the conclusion of the fisheries agreement with Kiribati, the ANZUS allies voiced concern that its conclusion would facilitate the expansion of Soviet influence in the Pacific islands region. However, such an argument seems spurious given the extensive Soviet intelligence network and military presence already in existence. Ballendorf (1985:51) makes the point that the Soviet's largest naval fleet—consisting of all types and classes of vessels and including nuclear armed submarines—is deployed in the Pacific Ocean and that the fleet is being expanded. The primary reason for a large Soviet fleet is
the U.S. military presence in the Pacific, notably in Hawaii, Guam, Japan and the Philippines, and the existence of missile-testing facilities at Kwajalein in the Marshall Islands. Soviet naval fleets assigned to Pacific operations are based at Vladivostok (Soviet Union) and Cam Ranh Bay (Vietnam), the Soviet Union's largest foreign naval base. In addition to a conventional military presence in the Pacific Ocean, the Soviet Union has an extensive satellite network that monitors U.S. military and civilian activities.

Although Soviet vessels licensed to operate in Kiribati's EEZ under the fisheries agreement are likely to have an intelligence function in addition to fishing, the conclusion of the agreement does not represent a new threat to the region from the Soviet Union, as the ANZUS allies claim. Rather, Soviet activities associated with the agreement should be seen as nothing more than a continuation of activities that were started in the region some years ago and that are known to, and monitored by, the United States (Ballendorf 1985:51).

Soviet tuna vessels have been operating in the central and western Pacific since the 1970s, and they are known to have fished illegally in the EEZs of some countries in the region for example, the Federated States of Micronesia and Papua New Guinea. The presence of Soviet purse seiners in the region's tuna fishery is well known to U.S. and Japanese fishermen, as industry reports indicate that the Soviet fishermen frequently trail their distant-water competitors on the fishing grounds, observing their purse-seining techniques. This activity is done in an attempt to improve their own fishing techniques and, in turn, their catches. The conclusion of the agreement with Kiribati did not herald the introduction of a Soviet tuna fleet to the region. Rather, the Soviet tuna fleet was already well established before the conclusion of the agreement with Kiribati.

Irrespective of whether Soviet fishing agreements are obtained in the Pacific islands, it seems reasonable to conclude that a strong—but not always visible—Soviet presence will be maintained. The region is of strategic importance, both currently for military purposes and potentially as a reserve of natural resources. Clearly the Soviet Union will try to maintain a power balance in the region by providing a check on the U.S. military presence. This situation will prevail whether or not there are Soviet fishing agreements.

FURTHER AGREEMENTS

Along with several other Pacific island countries, Vanuatu was approached by the Soviet Union in seeking fishing access to the country's EEZ and to port facilities. All these countries except Vanuatu rejected the Soviet approaches. Vanuatu has indicated an interest but has adopted a wait-and-see attitude. The government wants to evaluate the results of Kiribati's current agreement with the Soviet Union before entering into a similar arrangement (SPC Newsletter, August 1985:15). However, a high-level interdepartmental government committee has been established in Vanuatu to consider the Soviet proposal (Pacific Islands Monthly, October 1985:7). The committee will report to the Council of Ministers for a final decision on fishing access.
Vanuatu has had a domestic tuna industry since 1957 (Doumenge 1966). It is based on longline operations using chartered Taiwanese vessels. Excellent shore-based facilities exist at Paliku (Espiritu Santo). However, since the mid-1970s Vanuatu's tuna industry has been ailing and the country's shore base has been underutilized. The base's freezer has an annual handling capacity of approximately 10,000 tonnes, but in 1984 only 4,000 tonnes of tuna were transshipped at the facility. Because of existing longline tuna operations in Vanuatu, coupled with the 1984 closure of the cannery in Hawaii, where a significant proportion of the catch was processed, it might be expected that the shore base at Palikula will be further underutilized.

The Soviet fleet operating in the Pacific islands consists in part of longline vessels. If the Soviets can supply vessels and catches to fully utilize the shore base in Vanuatu, it would make economic sense for Vanuatu to conclude a fishing and port facility agreement with the Soviet Union. Such an agreement could provide Vanuatu with a range of benefits and the Soviet Union with a conveniently located and well-developed shore base.

The current Kiribati agreement with Sovvybfloot will expire in October 1986. If Kiribati wants to continue the financial benefits derived from the Soviet agreement it must negotiate a new agreement. This negotiation is likely if current access fee levels are maintained or increased, as economic conditions in Kiribati, as well as the reasons why the agreement was concluded, remain unchanged. Kiribati's President has indicated that a new agreement with the Soviet Union is possible (Islands Business, February 1986:35).

The Soviet Union has indicated that it wants to expand commercial links with Pacific island countries. As part of this expansion the Soviet Union's ambassador to Australia stated that his country wants to negotiate additional fisheries agreements. He emphasized that the Soviet Union has no desire for a military presence in the region (South Seas Digest, October 1985:1). But despite this assurance it seems unlikely that fishing agreements will be reached with countries other than Kiribati and Vanuatu.

**CONCLUSION**

Kiribati acted independently in the face of criticism in concluding its historic fishing agreement with the Soviet Union. According to Kiribati's President, the commercial agreement was concluded as a direct response to (1) the collapse of the ATA agreement and the loss of revenue from it, and (2) the need for Kiribati to bolster and diversify internally raised revenue as a means of becoming more financially self-reliant and less dependent on aid. The agreement has significantly contributed to the fulfillment of these objectives. In its national interest Kiribati sold fishing rights to the highest bidder. The highest bidder was the Soviet Union, although the ATA had been given first option.

Since the late 1970s U.S. prestige and popularity in the Pacific islands region suffered largely because of the U.S. position on tuna and the attitude of the ATA toward the sovereignty of Pacific island nations with respect to tuna jurisdiction. The ATA was unable to maintain fishing
agreements in the region, and the poaching of tuna by its members in the EEZs of island countries was essentially condoned by the U.S. government. Inaction by the government harmed international relations at all levels and involved most countries in the Pacific islands.

Although the United States refused to accept responsibility for its fishermen in the Pacific islands because of its domestic tuna policy, it nonetheless admonished Kiribati for concluding the Soviet agreement. The United States maintained that Kiribati had been self-serving in concluding the agreement and that it had ignored regional interests and solidarity (Honolulu Advertiser, July 2, 1985:B-2).

The Australian and New Zealand governments chose not to intervene when the U.S. position on tuna and the behavior of ATA fishermen caused problems for Pacific island countries. Had Australia and New Zealand exerted pressure on the United States or attempted to influence it to change its position on tuna, international relations would have been enhanced and the agreement between Kiribati and the Soviet Union might not have eventuated. The concern expressed by Australia and New Zealand after the conclusion of the agreement was basically out of self-interest for the ANZUS alliance. However, following the conclusion of the agreement, the Australian ambassador to the United States publicly urged the U.S. government to reflect on its standing in the Pacific islands region (Herr 1986:26). This sensible advice was a little late.

Kiribati's agreement with the Soviet Union prompted the U.S. Secretary of State to direct that the multilateral fisheries treaty with Pacific island countries be finalized as soon as possible (Islands Business, February 1986:34). The treaty has been given preeminence by the State Department by the appointment of a high-ranking counselor to oversee its negotiation. The treaty should promote long-term cooperation and stability between the United States and Pacific island countries, and it should preclude hasty and negative reactions of the kind seen at the time of the conclusion of the Kiribati/Sovrybflot agreement.

Because of the time required (1) to conclude negotiations for the treaty, and (2) to obtain legislative approvals in the United States and in participating Pacific island countries, a tuna treaty is unlikely to take force in the immediate future. Meanwhile, Kiribati will probably have negotiated a new Soviet agreement, and Vanuatu might have done likewise.

It might be argued that the United States was hurt most by Kiribati's conclusion of the agreement with the Soviet Union because the agreement represented a symbolic victory for Moscow in the Pacific islands. However, contrary to some predictions, the Kiribati/Soviet Union agreement is not likely to generate a wave of Soviet penetration in the Pacific islands region for two reasons: the lack of Soviet diplomatic representation and the general fear and reluctance of island governments concerning cooperation with the Soviet Union.

The Soviet military and intelligence presence in the Pacific islands region exists primarily as a response to the extensive U.S. military presence in the Pacific. This power play and rivalry have existed for many years and are essentially unrelated to actual Soviet fishing in the region.
Kiribati has limited development options, and its government wants to reduce its dependence on foreign aid. The conclusion of the lucrative fisheries agreement with the Soviet Union was a step toward achieving Kiribati's national economic goals.
1. Countries smaller than Kiribati are Tokelau (10 km²), Nauru (21 km²), Tuvalu (26 km²), Cook Islands (240 km²), and Niue (259 km²).

2. French Polynesia has the largest EEZ in the region (5.0 million km²).

3. Because of its land area (462,243 km²), if Papua New Guinea is included the region's mean population density would drop to 9 persons per km².

4. Tuvalu's population pressure (288 persons per km²) significantly exceeds that of Kiribati.

5. In 1980 the literacy rate in Solomon Islands was 51 percent (Australia 1984:170).

6. The more celebrated cases of illegal fishing in the region by U.S. vessels involved Papua New Guinea (Danica--1982), Solomon Islands (Jeanette Diana--1984), and the Federated States of Micronesia (Ocean Pearl--1984).

7. The complete title of the agreement is "Agreement between the Government of the Republic of Kiribati (hereinafter referred to as 'the Government') and Sovrybflot of the Union of Soviet Socialist Republics (hereinafter referred to as 'the Company') concerning purse seine and long-line fishing within the Exclusive Economic Zone of Kiribati."

8. The editorial in Honolulu's Sunday Star Bulletin and Advertiser, June 23, 1985, aptly pointed out that while the Soviet effort to establish an embassy in Tonga failed, it did result in additional aid from Australia.

9. More than 80 naval vessels are based at Cam Ranh Bay.

10. Vanuatu's longline fleet targets on albacore tuna. With the closure of Hawaii's cannery, the fleet's catch is being shipped to Puerto Rico for processing.

11. Under the terms of the proposed tuna treaty between the United States and Pacific island countries, the United States would accept responsibility for the actions of its fishermen in much the same way that the Japanese government does.
REFERENCES


THE EAST-WEST CENTER is a public, nonprofit educational institution with an international board of governors. Some 2,000 research fellows, graduate students, and professionals in business and government each year work with the Center's international staff in cooperative study, training, and research. They examine major issues related to population, resources and development, the environment, culture, and communication in Asia, the Pacific, and the United States. The Center was established in 1960 by the United States Congress, which provides principal funding. Support also comes from more than 20 Asian and Pacific governments, as well as private agencies and corporations.

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