One of the most remarkable and little-known stories of the Cold War is the joint fishing venture that brought together thousands of Soviet and US fishermen, working together and forming bonds of friendship on the high seas of the North Pacific. From 1978 to 1990 this unique partnership, Marine Resources Company (MRC), accounted for almost 1.8 million metric tons of groundfish caught and processed at sea off the coasts of Washington, Oregon, northern California, and Alaska. For several years it was the biggest fishing operation in US waters, with over 50 vessels from both countries participating annually. The success of MRC played a key role in attracting US investment into offshore fisheries, which had previously been carried out almost exclusively by foreign fleets.

Marine Resources was the brainchild of Jim Talbot, a Seattle-based entrepreneur who in the early 1970s was looking for ways to enhance the prospects of his family-owned business, Bellingham Cold Storage. The business was founded by his father, Arch Talbot, who had established a shipyard on the north end of Bellingham Bay in the early 1940s. During World War II the shipyard...
flourished, producing minesweepers for the US Navy. When orders dropped off after the war, Arch began converting the site to a cold storage facility to handle produce from the nearby Skagit Valley and seafood from the Northwest and Alaska. The Talbots maintained their residence in Seattle’s Laurelhurst neighborhood.

After serving in the US Merchant Marine and earning a bachelor’s degree from the University of Washington, Jim Talbot gradually began taking over management of Bellingham Cold Storage. He aggressively expanded its capacity and acquired other properties in the Bellingham area for future development. Like his father, he commuted to Bellingham from his Seattle home.

Talbot later said that he came up with the idea of a joint venture with the Union of Soviet Socialist Republics (USSR) while puzzling about how to connect his cold storage business to international fisheries. It was the spring of 1973, and he had just seen an article in The Seattle Times about an enormous Soviet fleet that was harvesting Pacific whiting—then still called hake—off the Oregon coast. Talbot knew the US government was considering implementing a 200-mile fisheries zone, which would restrict foreign fishing off the US coast and provide new incentives for foreign interests to link up with US companies and fishermen. At the time, the USSR had the biggest deepwater fishing fleet in the world and was anxious to ensure continued access to US stocks.

Talbot wrote a letter to Alexander Ishkov, the Soviet minister of fisheries. In his letter he described his Bellingham facility—the largest cold storage complex on the West Coast—and proposed that “your fishing organization might be interested in a joint venture with us in the processing, freezing, storage, and shipment of the hake which you now catch off our coast.” Talbot waited a year but received no response. Ishkov was a powerful, long-standing member of the Central Committee of the Communist Party of the Soviet Union and had been minister of fisheries since 1940. It may have surprised him to receive a letter from an unknown American entrepreneur—if he ever saw the letter. Talbot, whose genial manners belied a tough core of stubbornness, wrote to Ishkov again, enclosing his original letter. Two weeks later he received a call from the fisheries attaché at the Soviet embassy in Washington, DC, inviting him there for discussions.

Over the next two years, Talbot attended and hosted a series of meetings in Washington, DC, Moscow, and Seattle with representatives of the Soviet Ministry of Fisheries to discuss a joint business venture. As a US 200-mile zone grew increasingly imminent, the plan shifted toward a focus on joint fishing. Meanwhile, the impracticality of using Bellingham Cold Storage for the Soviet fleet’s products became apparent, owing in part to US laws prohibiting transportation of goods on foreign vessels between the high seas and US ports. It was agreed that seafood produced by the proposed joint fishery would instead be sent via Soviet freighters to a cold storage facility in Nakhodka, in the Soviet Far East.

During this period, meetings were sometimes canceled or postponed by the Soviet side, key Soviet participants were replaced by others, and the formation of the company was delayed. “One lesson I have learned about dealing with the Soviets is that you must have patience,” Talbot recounted several years later. He made sure to let his prospective Soviet partners know that he was a “middle-of-the-road Republican” who “believed that a free market system, relatively unfettered by government controls, was the best way to bring prosperity to society.” But, he said, he “saw no problem with being in a 50–50 partnership with a Marxist government, provided of course that they believed in making a profit.” During his trips to Moscow, Talbot became intrigued with Russian culture and history, and with the USSR’s closed society, its material hardships, and the insularity of its daily life. He came to feel that the Soviet Union could be opened up and transformed through exposure to Western business practices and culture.

Marine Resources was finally incorporated in the State of Washington in July 1976, with ownership split equally between Bellingham Cold Storage and the USSR Ministry of Fisheries. The company now needed a general manager to implement its business plan, and Talbot asked Wally Pereyra to take the job. Pereyra, a prominent local fisheries scientist, had migrated west from the East Coast several years earlier and earned a Ph.D. in fisheries at the University of Washington. During and after graduate school he spent long stretches on research cruises assessing stocks off the Pacific coast. He eventually established
himself as a senior biologist at the National Marine Fisheries Service (NMFS) in Seattle. In the course of a 16-year career with NMFS, Pereyra delivered papers at international conferences, represented the United States at intergovernmental fisheries negotiations, and spent two years in Chile developing small-scale, artisanal ventures with local fishermen while teaching at a university.

Pereyra’s mentor at the University of Washington and later in his career was Lee Alverson, a renowned fisheries expert and administrator who headed the NMFS’s Northwest and Alaska Fisheries Center (NWAFC) in the 1970s. Under Alverson’s tutelage, and through his own research, Pereyra came to appreciate the immense scale of several potential US Pacific fisheries: at the time, in the 1960s and 1970s, abundant offshore groundfish stocks, such as whiting off the West Coast and pollock (another cod-like fish) off the Alaska coast, were caught almost exclusively by foreign fishing fleets, primarily those of the USSR and Japan.

Because of Alverson’s prominence in the world of Northwest fisheries, Talbot asked him to recommend a candidate to take on the job of running the new operation. Alverson immediately suggested Pereyra. In short order Pereyra, who had no business background and had never been to the USSR—though he had seen its many factory vessels off the coast and met Russian scientists over the years—left his flourishing career at NMFS to run a joint Soviet-American commercial fishing operation that existed so far only on paper. He understood the potential of the groundfish resources that Talbot’s venture was targeting as well as anyone. Moreover, as he put it, “I loved the idea of actually carrying out fisheries development instead of just studying it.”—Wally Pereyra

Pereyra began contacting US fishermen along the Pacific Northwest coast, inviting them to fish for a joint venture with a communist country whose fleet was notorious in coastal communities for ravishing nearby stocks. Many of the fishermen knew Pereyra from his research activities and had faith in his knowledge of the resource, but what he was proposing was risky and novel. It involved an entirely new mode of fishing that required large boats (roughly over 75 feet in length) and huge mid-water trawl nets. They would be delivering catches at sea rather than on shore, which meant more time away from home. And they would have to trust that the Soviets would not cheat them on their catches, since there would be no opportunity to see the fish weighed, as was done with shore deliveries of other species. Many on the coast were downright hostile to the entire concept. A West Coast fishermen’s union executive was quoted in the widely read National Fisherman magazine as saying, “It smells like a lot of rotten Russian caviar to me.”

Other obstacles would also have to be overcome before joint fishing operations could get under way. Permits had to be secured from the US government, which was divided on whether to let this radically new fishery take place at all. There was intense opposition from American processing companies, who objected to competing with any new foreign entity, let alone a subsidized communist enterprise...
that would employ “slave labor.” Some of these companies were controlled by Japanese interests that did not welcome a new entrant in a sector they had largely to themselves. One prominent processor, New England Fish Company, was particularly vehement in opposing MRC and sent a high-powered attorney to make the case against joint ventures at hearings along the Pacific coast and in Washington, DC.

It did not help MRC’s case that its partner in the joint fishery, the Soviet government, was subject to US economic sanctions, championed by Washington’s Senator Henry Jackson, for its treatment of Jewish emigrants, and that it was suspected of using fishing vessels to spy on US naval operations. A headline about the new venture in the Tacoma News Tribune in August 1976 read, “Feds smell for something fishy in US–Soviet fish firm.” Washington’s other powerful senator, Warren Magnuson, expressed concerns that Soviet involvement in MRC was an attempt to circumvent the intent of the 200-mile zone legislation, of which Magnuson was the primary author and sponsor.

That legislation, formally known as the Fisheries and Conservation Management Act (FCMA), also known as the Magnuson Act, was passed by Congress in 1976 and came into effect on March 1, 1977. It gave the US government a mandate to protect offshore fisheries resources, including groundfish stocks, and to prioritize their use by US interests.

The Magnuson Act was part of a much-debated worldwide movement toward extended sovereign control over ocean resources. Nations that fished heavily off the shores of other countries were generally opposed to this movement, while coastal states that wanted to control or end foreign fishing off their shores—and were frustrated by the failure of United Nations Conference on the Law of the Sea to enshrine this right—supported it.

When the unilateral introduction of 200-mile zones became a fact of life by the mid-1970s, it created a major paradigm shift for maritime countries. Some were forced to shrink their distant-water activities and fleets, and their catch sharply declined. Some oversaw the rapid growth of a newly protected domestic fishing industry. Others began selling fishing quotas to foreign buyers. The Soviet Union, meanwhile, focused on expanding fishing off its own vast coastlines and restricting foreign access while at the same time devising new methods and entities to continue fishing off the coasts of other countries. MRC was one of many joint-venture entities formed by the USSR around the world.

Despite initial skepticism, a growing number of US government officials and politicians were gradually persuaded that MRC offered benefits for coastal fishing communities and for the long-term development of the US fishing industry: if MRC’s pioneering joint groundfish operations proved profitable, US domestic fishing and financial interests would soon have the motivation to invest in their own large processing vessels and plants, which would in time supplant foreign fleets in US waters. The new US 200-mile zone would thus become “Americanized,” and US shipyards, marine suppliers, fishermen, and investors would reap the rewards.

The US State Department and the Department of Commerce testified in a hearing about MRC in 1976 that it was
US policy to “maintain an open door to encourage foreign capital in American enterprises.” By early 1978, Fishermen’s News, a prominent West Coast industry publication, was editorializing that there “appears to be no reason why Marine Resources should not be allowed to operate with US vessels and US crews delivering fish to Soviet factory ships.”

As Pereyra lobbied for formal permission to launch a joint fishery and opponents fought against it, the stakes were high. The annual foreign (chiefly Soviet) harvest of whiting off the Northwest coast, which was now potentially available for joint ventures, had been well over 200,000 metric tons in the years just prior to establishment of the 200-mile zone. While this represented a large potential new US fishery, it was dwarfed by the more distant Alaskan groundfish stocks, which had experienced foreign fishing levels of over 2 million metric tons, primarily made up of pollock in the Bering Sea. Taken altogether, the potential new US groundfish fisheries in the Pacific added up to substantially more than the entire annual landings of fish in the United States at the time.

Given the scale of these resources, some Northwest and Alaskan fishermen saw a compelling economic opportunity in the chance to work with MRC. They had traditionally caught salmon, shrimp, halibut, crab, and rockfish, and delivered them to local shoreside processing plants. But these fisheries were becoming overcrowded and in some cases overfished. In particular, the lucrative Alaskan king crab fishery, which in the 1970s had stimulated a wave of boat construction and attendant financial obligations, was showing signs of stress. The limited season was decreasing rapidly each year. There was a pressing need for new fishing opportunities, and groundfish represented by far the largest potential new fishery.

But intense opposition was still widespread. The most vocal and articulate fisherman in support of the joint venture, Captain Barry Fisher of Newport, Oregon, a Harvard graduate and decorated veteran of the Korean War, later described the prevailing attitude as: “Not only did Fisher and company want to continue working with foreigners, it was the god-dam Russians that we wanted to do it with!” Jim Talbot, meanwhile, received threatening letters from customers who made it clear that Bellingham Cold Storage would suffer if the joint venture went forward. “It was a gamble on my part, obviously,” he subsequently wrote in a brief memoir. “Anyone in business is dependent on his customers. For the most part, our customers stuck by us, but there were exceptions which hurt rather badly.”

Meanwhile, Talbot realized that he had to come up with a business structure that would mitigate the complexities of dealing with the Soviet bureaucracy. He had insisted that ownership in the new joint venture be equal—a crucial component, as he saw it, of mutual commitment to MRC’s survival when serious commercial or political difficulties arose, as they surely would. He also requested that the Soviets station an executive in Seattle who would represent the Soviet owner, have decision-making ability on important company matters, and serve as Pereyra’s co-general manager. In addition, he wanted to establish a Marine Resources office in the Soviet Far East that would be run by US and Soviet comanagers.

This shared day-to-day management structure in both offices would, Talbot hoped, create an additional mutual stake in MRC’s success and provide a built-in mixing of cultures and viewpoints. It was a complicated and expensive plan, laden with potential problems of shared authority as well as burdensome visa, travel, and documentation requirements. But Talbot thought it would make polarization of perspectives and ignorance of each other’s views less likely within the company and between the partners. And, he believed, it could accelerate slow decision-making and communication on the Soviet side, which he already had identified as a potential Achilles’ heel.

The Soviet side eventually agreed to this structure, pending top government approval on both sides, and to a modest initial capital investment of $25,000 by each partner. Talbot promised that the company would have an initial bank credit line in the United States based on his guarantee. His Soviet partners, meanwhile, pledged to generate some early income for MRC by arranging for the company to market Soviet fish products.

But getting approval from Soviet authorities for an office in the Soviet Far East, let alone for stationing an American there,
presented a hurdle that went far beyond the capabilities of the Ministry of Fisheries. It was a decision that would need support from the Soviet government’s highest level and the blessing of the KGB and other security organs.

US State Department officials asserted that would never happen, given the USSR’s sensitivities regarding its eastern borderlands, and they maintained that if it did not, the United States could not allow a Soviet citizen to reside in the Pacific Northwest. Yet, in early 1977 the Soviet government quietly gave permission for MRC to move ahead with its plans. Talbot was later told by his Soviet colleagues that the prime minister of the USSR, Alexei Kosygin, had personally signed off on the formation of the company and the stationing of an American in the Soviet Far East.

After many additional delays, a young fisheries expert with Alaska experience hired by Pereyra, Michael Stevens, left for Nakhodka, a mid-sized port and fisheries base on the USSR’s Pacific coast. Nakhodka had “open” status, as opposed to Vladivostok, the largest port city in the area, which was closed to foreigners. Soviet representative Valery Latishev arrived in the United States at about the same time. Initially, the State Department insisted that Latishev reside in Bellingham since Seattle, like Vladivostok, was officially a “closed” city and the USSR had granted permission for an American to live in Nakhodka, not Vladivostok.

Latishev, an English-speaking former fish-processing mothership captain and fisheries executive from Riga, Latvia, thus took up residence in Bellingham with his wife, Irina, and quickly became a local celebrity. The November 15, 1977, Bellingham Herald carried a front-page headline that read, “Soviet fishing official arrives in Bellingham,” and an article that described in detail Latishev’s background and his views on American life. Latishev commuted by car to the MRC office in Seattle several times a week, with State Department approval required for each trip. But within a few months, during which Talbot continually petitioned the State Department and applied pressure through Washington’s congressional delegation, the Latishevs received permission to move to Seattle.

Latishev hit it off with both Talbot and Pereyra and soon proved to be a capable and at times fearsome defender of MRC’s interests. His experience as a mothership captain gave him credibility with both US and Soviet fishermen. His English, including his American colloquialisms, improved rapidly: once, in a heated meeting, when the Soviet side made an unreasonable demand, Latishev slipped a note under the table to Pereyra that simply said, “B.S.!”

The most important outstanding matter for MRC was still permission to pursue a joint fishery in US waters. Once, in the spring of 1978, it appeared that the National Marine Fisheries Service was poised to issue the permit, but Senator Magnuson ordered the agency to backtrack while he considered amending the 200-mile zone law to stop such joint ventures. At another point the Pacific Fishery Management Council, which was responsible for overseeing fisheries off the West Coast, voted against the permit. As the struggle over permits continued, time began to run out for a whiting fishery in 1978, just as it had in 1977. Pereyra sometimes wondered at his impulsive decision to abandon a
stable career at the NMFS for such an endlessly problematic endeavor.

Finally, in August 1978, permits for MRC’s joint fishery on whiting were issued and an allocation of 7,500 metric tons was made available for harvest. Two 280-foot Soviet processing vessels from Nakhodka, each with a crew of about 75 fishermen and processing personal, and three US fishing boats with four-man crews from Oregon (one of the three turned out to be underpowered and dropped out of the fishery) converged on the fishing grounds off Oregon. The lead American captain was Barry Fisher in his brand new Lady of Good Voyage, an 86-foot trawler built in Coos Bay.

The technical and logistical problems of the new fishery were daunting, as were the challenges of communication across languages and cultures. There were frequent equipment failures on the US boats and ongoing difficulties in devising a safe, fast method of transferring catches from the trawlers to the Soviet ships—the first attempt resulted in a slight but startling collision. The US captains had never fished for whiting before and had no previous experience with the huge mid-water trawl nets; their initial catches were negligible despite efforts by the Soviet fishermen—who had years of experience—to provide assistance. Both sides grew anxious as the long-awaited fishery failed to produce expected results.

Gradually the US fishermen mastered their new gear, the technical and logistical problems were worked out, and catches increased. After several problematic fish transfer experiments, they devised a reliable method: the Soviet vessel would trail a buoy line off its stern, and the US boat would approach, catch the line, attach the full codend (the detachable portion at the back of the trawl net), and go back to fishing while the Soviet vessel hauled the fish aboard. Within a few weeks the US boats were catching up to 25 metric tons of whiting per tow and smoothly sending their catches over to the Soviet vessels. Despite some initial apprehension, there were no serious disputes about the quantity and quality of fish transferred. In that first season, just under 900 metric tons were harvested by the two US boats and transferred to the Soviet factory vessels for processing and shipment to the USSR. In return, MRC, which paid the US fishermen for their deliveries, received other frozen seafood products to ship to international markets from Nakhodka—a “barter” system used to overcome the absence of a convertible currency in the USSR.

The following year, in 1979, 11 US boats joined the West Coast whiting fishery. The US government and the Pacific Fishery Management Council were now openly supportive, as shipyards and coastal communities could see benefits from coastal fishermen participating in the new venture.

Pereyra and his management team, meanwhile, plotted an expansion to the far greater available groundfish resources off Alaska. This involved another intensive lobbying effort and presentations before another regulatory body, the North Pacific Fishery Management Council (NPFMC), based in Anchorage but with representation from Washington and Oregon as well as Alaska. US fishermen, eager for new opportunities and facing a continued sharp drop in king crab fishing quotas, lent forceful and vocal support. Having invested large sums of money in their new or revamped boats, fishermen were adamant that MRC’s proposed Alaskan fisheries for 1980 should proceed. “If we don’t get to go fishing, there’s gonna be some $3 million boats out there with ‘for sale’ signs on ‘em—put there by the US Marshall,” asserted a fishermen who planned to work with MRC in a Seattle Post-Intelligencer article in late 1979.

In the very final days of 1979, before the NPFMC could make its final recommendation, the Soviet Union invaded Afghanistan. President Jimmy Carter called for economic sanctions, including the elimination of Soviet fishing quotas in US waters. The immediate termination of MRC’s joint venture became a distinct possibility. Pereyra was flummoxed by this turn of events: “I’ve been working to put...
the bilateral agreement that allowed the joint fishery. After Fisher's testimony, Congress declined to cancel the bilateral agreement. Although Soviet direct fishing quotas in US waters were eliminated as a result of the USSR's invasion and occupation of Afghanistan, MRC's joint fishing operations off the Pacific Northwest and Alaska were allowed to continue and expand. At least once per season, Soviet vessels called in US ports such as Seattle, Portland, Astoria, and Dutch Harbor for supplies and shopping, causing a small boom in sales of electronics and other consumer goods not available in the USSR.

MRC's annual joint operations reached a peak of over 220,000 metric tons in the mid-1980s. At that point the appearance of other joint ventures, and especially of US factory vessels, began to reduce MRC's fishing allocations. MRC's pioneering operations had led, as US fishery managers initially hoped, to investments in US fishing and factory vessels and in shore plants to utilize the abundant groundfish stocks off the Northwest and Alaska coasts. In 1990 all joint fishing ended on the West Coast with the full “Americanization” of the US 200-mile zone. By then, West Coast groundfish had become the leading US fishery in terms of tonnage, and one of the most important in terms of Pacific Northwest export revenues, which surpassed those of all other regions of the country combined.

Meanwhile, by the late 1980s, Cold War relations had warmed under a new Soviet leader, Mikhail Gorbachev. Dramatic political, economic, and social changes swept the USSR. By coincidence, the year joint fishing ended, 1991, was also the year of the Soviet Union's collapse and dissolution.

In the company's later phase, from 1991 until its closure in 2001, Marine Resources shifted its focus to repairs and modernization of the Russian fleet, chiefly in Seattle shipyards. In this post-Soviet period, MRC operated offices in Moscow, Kamchatka, Sakhalin, Vladivostok, and Busan, South Korea, as well as Seattle. By the mid-1990s the company reached new highs in annual sales and the number of its offices and employees, both American and Russian.

Then, once again, the business environment shifted as Russia became less open to foreign ventures. By the time the company closed its doors in 2001, its 25-year tenure had spanned the Cold War, the collapse of the USSR, the open era of the 1990s, and the onset of Vladimir Putin's increasingly nationalistic regime.

The broadest legacy of Talbot's venture is its contribution to US and Russian fisheries development and to relationships between fishermen and other citizens of the two countries. Contacts generated by MRC have reached into unlikely areas. In the late 1980s Jim Talbot initiated a sister-city relationship between Bellingham and Nakhodka, which is still active today; small-boat sailors from the two cities continue to compete in regattas every few years. There have been annual 10-kilometer footraces in Nakhodka, school chess matches by telex, a youth baseball exchange, and other programs that have had an impact beyond the remarkable and historic era of joint Soviet-American fishing.

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