

SCOMM

#31: 14

CSSB 39: LIMITED ENTRY WORK SESSION (I/1)

March 2, 1973

CHAIRMAN:.....our secretary and she says the air mail, special delivery information from Professor Fletcher has just arrived and he's sending it right over so we should have his efforts available in a few minutes, so go ahead, Dave.

DAVE: Well, I have, of course, been kind of working between both the House and Senate version trying to relate one to another and there's lots of similarity and some marked differences but I have made a few comments on your version of the bill if we could just work perhaps through it because you explain things to me or maybe I can let my (indisc.)

UNIDENTIFIED SPEAKER: You don't have a folder.

DAVE: No, I don't know where my folder is.

UNIDENTIFIED SPEAKER: Do you have any extra copies of the bill?

DAVE: I need one also.

UNIDENTIFIED SPEAKER: Is this essentially the same thing as what's been said before?

DAVE: No, that's an old, old one. This is one that we really should be working with here.

UNIDENTIFIED SPEAKER: Okay.

DAVE: All right, you've got on page 6, standards for establishing the optimum units of gear. Now, under Number 2, Line 12, in other words, of Page 6, you're saying the number of units of gear necessary to fully harvest the commercial take of the fishery resource during all years. Now, the all years would presume then the highest years possible. In Bristol Bay again you've got such a fantastic fluctuation between high and low years going from

twenty five million down to one (indisc.) anticipated next year, but you'll accomodate as your optimum enough gear to harvest twenty five million, you're probably talking about 1500 units of gear. Two thousand units of gear would harvest 20,000 per unit--now wait a minute, 10,000 per unit. I don't know how you're going to do that. You're talking about their capability, physical capability, no matter what the take is. If you can catch \$100,000 worth of fish with twenty units of gear, but the inhibiting factor against processing the Bristol Bay of catching fish in Bristol Bay is process, lack of capability of processing fast enough to accomodate all the fish that come in from numbers of fishing boats which I'm sure you've experienced. But what my concern is--let's say that they determine we want enough gear to harvest the largest run that's likely to occur in Bristol Bay. If you do that and accomodate on (indisc.) amount during an average year and the low years you're going to have far too much gear accomodated and you won't essentially cut the gear at all. I note the House version has done something different. They say we are going to use the average four year average to determine what the last four years...in other words, instead of coming up with the amount of gear you can harvest twenty five million fish, you come up with the amount of gear you can harvest ten million.

UNIDENTIFIED SPEAKER: What would you propose--how would you see it happen in the big years? What would happen to the fish, then?

DAVE: Well, maybe I'm getting into things that should probably be left to this commission to determine at a local level and for regulations. But, I think you could alleviate some of my concerns that this might occur if you go down to Line 16 where it says the commission may increase the optimum number of units of gear for type of gear area and increase or decrease. I would

think you would want a provision where they could decrease...in other words, if you're going to suddenly go from the past history which indicated a much greater amount of gear would be allowed in Bristol Bay than perhaps the future history would warrant our past history an average of six to eight million fish a year. Suddenly, we're looking at perhaps the next 12 years an average of two million fish a year. I think the commission should have the discretion of decreasing those amounts of gear when you have a depressed fishery that...what I'm fearful of in any of these bills is ending up with a situation which, though the bill was inspired by the situation in Bristol Bay, really impacts every place but, because to cut it in Bristol Bay effectively, you're going to have to either draw such stringent criteria that you're going to screen out half of the guys who live in the area of fishing or you make them so broad and all-encompassing that you draw back the compurpose (sp) of them screening anybody out. You may simply reapportion who fishes and still number of incidental fishermen standing on the beach. But my concern -- I don't mean to be confusing this issue -- but, maybe I'm not understanding what you mean by optimum and maximum for units of gear.

UNIDENTIFIED SPEAKER: You understand it very well. We've discussed it and don't have a solution to it. You can't start in saying that you're going to squeeze it down to where you can't have a harvest, or big harvest. That's the difficulty. We have also discussed taking a guy's deal away from his depending upon their system of transferability. You know, you may deprive people of licenses if after a certain period of time they don't use them, but then we might--you know a lot of this gear shouldn't be used except on the big year. It ought to be a very (indisc.) item.

UNIDENTIFIED SPEAKER: Well, why can't we accomplish that in these two areas he's talking about by changing this to maybe average over a four year period.

That's the optimum level and then allowing them in here not only when there's an established long-term change in the biological conditions or maybe you consider that these peak years are established long years, long term change. Maybe by change of definitions.

UNIDENTIFIED SPEAKER: (indisc.) that the fish weren't here then?

UNIDENTIFIED SPEAKER: No...No, No, No.

UNIDENTIFIED SPEAKER: What are you going to do the first time you get a big run?

UNIDENTIFIED SPEAKER: I didn't understand what you were saying at first. Look, the last time we had runs there in 1970, everybody knew there would be a tremendous run, everybody thought there was at least. The first year I ever fished at Bristol Bay (indisc.) prior to that time the Bay looked far better than the Inlet. (indisc.) fished at Bristol Bay for two years-- the big run--and that can happen in the future. Sure, one or two years with a permit for one of those big years. No reason why that couldn't work. You move fishermen from other parts of the State who desire to participate in a big run so that you have enough to harvest it. Is this essentially what you're talking (indisc.)? I mean, it could work that way?

UNIDENTIFIED SPEAKER: Yeah, I would....Again, maybe these types of things should be left up to the commission dealing in an area-by-area basis--I think they should be empowered to take those peculiar situations which prevail in the fishery such as we have in Bristol Bay and perhaps more consideration than....

UNIDENTIFIED SPEAKER: Yeah, but we'd have to change this language if you're going to establish long-term change in order to give them the power to move people like that.

UNIDENTIFIED SPEAKER: Well.....

UNIDENTIFIED SPEAKER: Don't you think?

UNIDENTIFIED SPEAKER: I think you would, yeah, I think you would.

UNIDENTIFIED SPEAKER: Then, we'd have to change the number of (indisc.) fare or you're going to have that many people in right from the beginning, as you were saying, because here we provide for enough people in the beginning to harvest (indisc.) in these peak years. So it's all that kind of thing, but it's all one of the problems we had (indisc.).

UNIDENTIFIED SPEAKER: Well, you'd have to create two different kinds of permits, one a permanent, one a temporary and issue temporary permits for your big years.

UNIDENTIFIED SPEAKER: Well, I don't know.

UNIDENTIFIED SPEAKER: Then, does a person ever have a right to get a second temporary permit? You know, did you develop any interest right there? Is that a property right to fish the big years and only then?

UNIDENTIFIED SPEAKER: I have a question here. I always have so many, but I'm trying to figure out what's wrong with giving the commission the power to decrease as well. And when you talk about the units of gear, John, you're not necessarily talking about the (indisc.)...aren't you talking about how many fathoms of nets that the fellows can use..one year, maybe next year's going to be decreased.

UNIDENTIFIED SPEAKER: Hey, couldn't you do it that way?

UNIDENTIFIED SPEAKER: Why not?

UNIDENTIFIED SPEAKER: Handling your temporary permit by providing for that decrease saying the commission may either increase or decrease providing, however, in those areas in which a decrease occurs, is there any way you can relate those who are-Cook's Inlet a low year you want to get half these boats out of there and put them in a high year at Bristol Bay. Somehow that commission ought to have the authority to be able to take those guys who are decreased in one area and put them into the increased area. And I

wonder if simply providing that authority to increase or decrease would give them enough latitude.

UNIDENTIFIED SPEAKER: Rather than spelling out all this permit business, let's see if they can work something out to accomodate it or not, and let them deal with that. I don't think that it's something the committee ought to try to work into the bill.

UNIDENTIFIED SPEAKER: Well, I didn't get an answer to mine. It seems to me, John, what you're saying is that the number of units of gear is equivalent to numbers of people. But the definition of unit of gear is something else again.

(indisc.)

UNIDENTIFIED SPEAKER: The maximum amount of the specific type of gear which can be fixed under a single gear license. There's the guy with a single gear license. Don't you have enough flexibility by controlling the units of gear?

UNIDENTIFIED SPEAKER: I thought that we did, but I thought that we ere trying to figure it out so that the fishermen in the bad years could still make a good living which would mean that if we cut down the number of fishermen, they'd all be fishing a lot of gear (indisc.) and you cut down the number of fishermen and if they are going to be fully employed, you can't make it the same way , if you're going to be fully employed in the bad year and also fully employed in the good year with the same number of people, see. You hear what I'm saying?

UNIDENTIFIED SPEAKER: Yeah, I hear what you're saying.

UNIDENTIFIED SPEAKER: In one year these (indisc.) employees (indisc.) are going to be under harvest or over employed or something or other, you know. Three times as much one time as another time.

UNIDENTIFIED SPEAKER: Well, all right. Tell me why it's not reasonable, Howard, to go under #2, Line 12 and change that language so that we are talking about maybe the average of four years and like that so we do have a smaller amount of gear in the first place and simply provide another paragraph that the commission may issue temporary permits when boom years were defined at somehow--that's what we're talking about--so warranted that we would have to figure out on what basis they awarded them to whom, but they could still be temporary permits when the biological factor so warranted for a boom year or two or three of a cycle. When there's not enough gear under #2 to adequately harvest the fish in a year, then there may be temporary permits issued to do so. Is there any reason why that concept wouldn't work if we can work out the details of it? I'd do what you're talking about.

UNIDENTIFIED SPEAKER: Yeah, I would think it has some merit. I think you could put it down at the bottom of this...you're talking about increasing permanent permits in the language - the way it's got now - you wouldn't want to decrease permanent permits but you would want to be able to provide for a temporary....

UNIDENTIFIED SPEAKER: You would want to provide for a temporary permit, right? That way you're not..that way it's definitely not a decrease then later--it's just that the temporary permits run out.

UNIDENTIFIED SPEAKER: But, my concern is not so much for the need to bring more gear into an area because of the high run as it is to assure that they don't get more in during the low periods in order to accomodate a high run. What's the difference in figures between the number that's required to harvest on the high cycle? On the four-year average? I mean what gear licenses are we talking about?

UNIDENTIFIED SPEAKER: On a four-year average would be much smaller. On a four-year average you can harvest with one-half the amount of gear it would take to harvest during one of those big runs. The trouble is with the doggone situation today--you have such an intense run for such a short period that if you had a much more expanded period of time to fish, a much smaller amount of gear could harvest the same amount of effort, but you have to have a number of boats that are really going to fully harvest a big run. You have to have an awful lot more boats than you really should have fishing that intense 3 or 4 days while its coming through than is logical to have during years of average run so I'm just concerned if we go in and say, "Hey, we've got to have 2,000 units of gear to harvest a twenty million run." So, that's what's authorizing Bristol Bay and once I think we have established this..... you're going to find those 2,000 units coming back here. Right now we only have 1800 units coming here. You might actually increase it.

UNIDENTIFIED SPEAKER: What we could do is cut it down to wherever you have just enough for the off year and just set a fish trap upstream.

UNIDENTIFIED SPEAKER: Oh, come on, John.

UNIDENTIFIED SPEAKER: You're being logical, John.

UNIDENTIFIED SPEAKER: Well, now wait a minute. The fishermen ought to prove that because otherwise they are going to end up with twice as much gear as they want during the off year. At least they don't have any competition in the bad year.

UNIDENTIFIED SPEAKER: (indisc.) harvest the surplus with a (indisc.) with a trap.

UNIDENTIFIED SPEAKER: I think what we are saying, though, is that the situation that you're talking about probably applies far more Bristol Bay than it does anywhere else and we ought to set aside certain sections and treat it

separately. I think we can. I think Mr. Fletcher made that very apparent. We can find there can be a legislative finding that the situation of Bristol Bay warrants special consideration and instead of number of units necessary to fully harvest during all years in an orderly efficient manner, the average necessary over a four or five year span and provide for temporary permits for the other years.

UNIDENTIFIED SPEAKER: If you did make a note of it and consider it, than I think it would warrant....

UNIDENTIFIED SPEAKER: I think we have to provide to bring in these extra people at least in the law whether they do it or not in order to meet the exemptions of what are you going to do with all the fish. If you've only got enough gear to harvest the average in four or five years, what's going to happen in the peak runs. You've got all the fish going to waste and I think we have to have this other proviso to counter that, don't you?

UNIDENTIFIED SPEAKER: I think you've got to really harvest the peak year or you're going to have trouble.

UNIDENTIFIED SPEAKER: ..some provisions for them. I know that what you say is true, but processing capacity is a limiting factor, not the catching ability. It was conceivable that that they can build additional canneries to--if things go up so that they warrant it. Excuse me, go ahead.

UNIDENTIFIED SPEAKER: Well, they tell you the drift unit can catch probably about all he can handle---5,000 fish a day would be an awful lot. So, okay, 5,000 fish a day and your run is going to sail through there pretty much for a week and a week in a bigger year, you know--that's 25,000 fish or well it could be 35, but so we are talking about a twenty million harvest...course we are not talking twenty million...we are talking half of that but.....

UNIDENTIFIED SPEAKER: Certainly was worth it.

UNIDENTIFIED SPEAKER: Well, we have had, yeah. So, you are going to have to have 1200 units of gear which is far too much in a year like this year.. far too much..and I suspect that once these people acquire these things become more oriented to fishing, they are going to be certain--much more inclined to go fishing cause they are going to feel like they have some sort of exclusive right. Now, presuming several bad years coming up, you're likely to end up with really not effectively cutting the gear at all and you might...well, anyhow, it's just something to bear in mind.

UNIDENTIFIED SPEAKER. If you manipulate this around to discourage outside fishermen from coming in--that is the transferring in from (indisc.) Cook Inlet or other fishing areas. Wouldn't that be...

UNIDENTIFIED SPEAKER: I don't know (indisc.) ...the big years or what?

UNIDENTIFIED SPEAKER: Whenever the licenses are going to have to be transferred in the big years, right? If it's decided that there's going to be a big fish run and you're going to have to, in order to harvest that run, bring in additional gear licenses and they are going to come in from the inlet, and that notification of transferring privilege is given late in the season, local guys would be able...that isn't what I'm asking...wouldn't local resident fishermen be able to move into the fishery easier on shorter notice than the...

UNIDENTIFIED SPEAKER: Where would they get the gear? The boats and stuff?

UNIDENTIFIED SPEAKER: They've got the gear. They are in Cook Inlet. New boats in Cook Inlet who want to come over.

UNIDENTIFIED SPEAKER: I thought you meant residents in the Bay.

UNIDENTIFIED SPEAKER: No, I meant residents of Alaska.

UNIDENTIFIED SPEAKER: I thought you said discourage Cook Inlet people from moving in.

UNIDENTIFIED SPEAKER: No, discourage non-residents.

UNIDENTIFIED SPEAKER: Oh, I see.

UNIDENTIFIED SPEAKER: Well, I would think a one year temporary permit transfer would be.....

UNIDENTIFIED SPEAKER: We might give the commission authority to -- special authority or something -- to transfer all these peak years from areas where (indisc) is not expected to be good.

UNIDENTIFIED SPEAKER: Of course, you're going to run into a problem. Then what will happen....Okay, we've got room for five more boats in Bristol Bay. You've got 45 guys wanting their own....(indisc.)

UNIDENTIFIED SPEAKER: I think you're ultimately going to end up with a lottery somewhere along the line here with people coming down here picketing the Capitol and attacking you guys with clubs till you dump that commission. That's the thing that worries me, too. And while we are talking about that, I really think somehow or another you're going to have to provide some insulation for these guys. Now I know this is a dirty word, but "PAS type" philosophy ... and I find a little irony... in this administration with whom we fought dilligently as you recall over the Board and Commission concept "Thou shall have the (indisc.) executive type heading the heap, you remember (indisc.) our Board problems with the Fish & Game we wanted to give them some protection--say you can can them only for cause and then here I see, by the Governor, a commission to handle the fishery that can only be canned for cause. I thought we have come a long way twenty years ago, but be that as it may, what are you going to do? These guys on that commission I think are going to turn over like hotcakes unless you have some assurance that regulations that they promulgate have at least...I don't think the Legislature should have to

pass on directly and in the law, but I think, to protect that commission to some extent it might be worth considering that you act as you do in the local boundary commission and unless they are negated they pass into their promulgated. That way, some arbitrary action of a single committee chairman, House & Rules, of course, might...you know, a guy that's offended by one or two of his constituents being offended is not going to be able to kill the thing dead even if it's in the best interest of the State. If it's outrageous proposal, sure it will be negated, I would suspect. I wonder if that isn't worth considering.

UNIDENTIFIED SPEAKER: Did you read our proposal on removal?

UNIDENTIFIED SPEAKER: For cause? Do they mean much though as an attorney?

UNIDENTIFIED SPEAKER: Incompetence, neglected duty or misconduct and the Commissioner to be removed for cause shall be given a copy of the charges against him and afforded an opportunity to be publicly heard in person or by counsel in his own defense for not less than 10 days notice. If the Commissioner is removed for cause, the Governor shall file with the Lieutenant Governor a complete statement of all charges made against the Commissioner and his findings based on the charges together with a complete record of the proceedings.

UNIDENTIFIED SPEAKER: It may be. It's something maybe you'll want to change later on.

UNIDENTIFIED SPEAKER: It's just like our present Fish & Game Board--people claim they have problems, they don't respond, they make these terrible mistakes. You don't throw them out.

UNIDENTIFIED SPEAKER: On Page 7, Line 10, a person may hold more than one entry permit issued or transferred pursuant to this Chapter for any of the following purposes. Well, while it's implied we mean for only the following, I wonder if there's any wisdom for spelling that out so a guy doesn't what if, for example, I asked Jackman about this and he

felt that while the concerns I expressed were not particularly valid instances and problems, he felt that the inclusion of the word "only" would at least tie it down a little tighter. So, there are not all sorts of people saying, "Hey, I've got this reason for transfer or this reason for having more than one entry permit issued and while it's not on that list, it doesn't say you can't.

UNIDENTIFIED SPEAKER: Is it our policy that we don't want them to have a whole bunch of permits or that they do want them to?

UNIDENTIFIED SPEAKER: I don't know what your policy is...what you're trying to accomplish. Near as I know, we haven't solved that ...have we?

UNIDENTIFIED SPEAKER: What if I wanted to go down, for example, and buy six permits this year all under a little bit different names that might have had a Jay Hammond fish that he's experienced--he's landed fish. J. S. Hammond has (indisc.) ...Do I get permits for all of these as a (indisc.) basis?

UNIDENTIFIED SPEAKER: Do you go on to Bristol Bay and you want to go crabbing off of

UNIDENTIFIED SPEAKER: No, but I wouldn't qualify for that one....I'm all for the same area.

UNIDENTIFIED SPEAKER: and the same gear? (indisc.)

UNIDENTIFIED SPEAKER: Well, but I can't fish more than one gear ... I'm just talking about getting additional entry permits for speculation; surely I can't fish more than one unit of gear but and I only do fish when (indisc.). I go to the Commissioner here I want to get an entry permit for this unit of gear. Well, have you ever fished? You bet. And so I get it. And I come in later as J. S. Hammond and I realize this may be reaching pretty far but, wait a minute, sure I'm entitled to an entry permit and here's my unit of gear to go with it.

CHAIRMAN: I don't know. There's a lot of guys who think that they ought to be able to hold permits for different areas for different times of the year only he's not disagreeing with that. He's saying "same kind of gear, same area, more than one permit at the same time", so maybe we could take care of that problem by a simple statement. Though a person may hold more than one entry permit for the same type of gear or the area at any one time so that makes it an obvious statement. That the problem you're trying to get to?

UNIDENTIFIED SPEAKER: Yeah.

UNIDENTIFIED SPEAKER: Well, then you could hold one for set netting and also one for drifting with different kinds of gear for the same area.

UNIDENTIFIED SPEAKER: Well, that's gill nets. That's still gill nets. You could hold one for gill net and one for seining.

UNIDENTIFIED SPEAKER: No, You shouldn't even do that in the same area.

UNIDENTIFIED SPEAKER: Well, look, all right I drifted two years ago. I'm eligible for a drift unit of gear and a drift entry permit for Bristol Bay, and I'm eligible for a set unit of gear and entry permit. Now, I don't know what the Encounter Committee is. Is that what you want to accomodate? That is, of course, a nice windfall for me and you bet your boots I'll go out and get myself another.

UNIDENTIFIED SPEAKER: You talked about the same thing people down here that have done a little trolling with a little rig and then they want to move into a bigger rig and then they'd like to go into some other expensive rig, you know, in the same area. Well, are you going to be able to trade up like that or will they only be limited to the kind of gear they come in with? And so is the guy perpetually frozen into that type of gear? If he sells his gear, if it's really saleable, can you take a little

two-bit trolling license for a southeastern area and turn it into a fish (indisc.) in Juneau?

UNIDENTIFIED SPEAKER: We're just talking about the things we've been wrestling with.

CHAIRMAN: Well, I think what we're talking about here and it doesn't have to be this way but no person may hold more than one permit or any (indisc.) at any one time.

UNIDENTIFIED SPEAKER: Right now we're only talking about salmon, but if you specify that into the bill then you've also included all other fishery resources.

CHAIRMAN: Well, all right, so we'd have to bring that in (indisc.) more than one permit for any one species.

UNIDENTIFIED SPEAKER: What about this--a person that has several (indisc.), how many are they going to be able to fish?

CHAIRMAN: Whatever the law allows as far as

UNIDENTIFIED SPEAKER: As o.e...350, well, I suppose it varies from area to area..

UNIDENTIFIED SPEAKER: Hey, wait a minute, Bill. I think you want to accomodate this guy who drifted in (indisc.) -- let's say they have a situation--man, you could really have a devastating situation in a place by the bay because setting nets many times over the past few years they have maybe closed down an area to set netting .. or drifting...

CHAIRMAN: The worst thing at any one time if they close down setting nets, then a guy can shift it and go on drifting simultaneously.

UNIDENTIFIED SPEAKER: No, he can't--not if he doesn't have an entry permit for set netting or drifting.

CHAIRMAN: He could at any one time.

UNIDENTIFIED SPEAKER: Well, you have to have the entry permit..(indisc.) in your hot little hand. You can't suddenly go running to the commission in the middle of July and say I want to shif to drifting and I need an entry permit to accomodate me.

CHAIRMAN: Well, now let's go back. (Indisc.) the entry permit even tied to a type of gear.

UNIDENTIFIED SPEAKER: Sure, it is. You bet it is.

UNIDENTIFIED SPEAKER: An individual could have more than one type of gear (indisc.) for an (indisc.) area.

UNIDENTIFIED SPEAKER: I don't think you'd better pool that..really I am...but my major concern was that here you've got three things that say you can have more than one type of one entry permit on the basis of these three things, but I'm saying, is it limited then only to those three factors? It's (indisc.) implied that its limits only that, but would it be wise to make certain it's limited by putting an "only" after (indisc.).

CHAIRMAN: Okay.

UNIDENTIFIED SPEAKER: The next page we've got these five -- the regulations to establish specific qualifications (indisc.) in similar situated potential applicants in the following priority classifications.

UNIDENTIFIED SPEAKER: Are we back to page 8?

UNIDENTIFIED SPEAKER: It's on page 8, the top of it there, lines (indisc.) through 5.. Those classifications I would suggest then classification one: consideration of a little different language -- first place, one and three seem to me to be almost the same and I don't know what substantial income source really means by definition--maybe not intending to define it -- maybe that's to be done by the regulations that the

commission makes, but if you are going to give a certain category -- if you said on one hand we're going to create categories one, two, three, four, five--categories one and two shall be issued permits. Now, I suspect that categories one and two, in a place like Bristol Bay, may well exceed the total number of permits available. And, yet, you've locked into law the obligation that they shall be issued permits and I'm wondering if it might not be smarter to tie down to maybe just one category--something that you know will not exceed the number of permits available and I'd like to suggest some language which might accomplish that and that is simply to say that Page 8, Line 5, Category 1, would say "fish fishermen where participated consistently and exclusively in the singly fishery for which their entry permit has been granted", and then I've got another "deelybob" in there that may cause some problems -- "and for the major portion of such particiaption, have either derived more than 50% of their earned income from said fishery or have been domiciled in an area in which the cost of living index is tied up at least twice the national average" -- which may not be the figure to use, but would just indidentally take care of (indisc.) everybody lives in the bay or a guy who is, infact, primarily dependent upon fishing. Now these are Bristol Bay fishermen who have really a very modest impact on that fishery insofar as gear is concerned. We're talking about -- I may have mentioned to you before -- do you know what the - for example in the Bristol Bay Borough, the amount of fishery participation on the part of the Borough residents compared to the outsider? Three percent only insofar as pay days are concerned. So 97% of it is elsewhere. Outside of the Bay, it's about 80% so really if you accomodated everybody in Bristol Bay, it would in-cidentally accomodate your people who fish in Bristol Bay because of the cost of living differential or anybody else who happens to be

UNIDENTIFIED SPEAKER: Give me that percentage of gasoline...the cost of gasoline that goes out of the bay. Is that part of the pay day you mean to slow down the bay. Pump the gas and stop the supplies and all that sort of thing?

UNIDENTIFIED SPEAKER: The amount of money that's paid from processors to fishermen for fish -- three percent of it goes to the resident, 97% goes to the forewinds which opens up some very interesting areas for perhaps utilizing our taxing potential.

UNIDENTIFIED SPEAKER: We're going to freeze those people into the fishery, huh?

UNIDENTIFIED SPEAKER: Well, I'd say you ought to at least freeze that 3\$ into it because....

UNIDENTIFIED SPEAKER: We are freezing both into it.

UNIDENTIFIED SPEAKER: The 97%?

UNIDENTIFIED SPEAKER: Sure, we are.

UNIDENTIFIED SPEAKER: No, you're not. No, you wouldn't get the 97%. What you do -- actually, we're talking about 60% are outsiders by outside of Alaska -- 40% are Alaskans, but only 20% are Bristol Bayites -- only 3% are Bristol Bay Boroughites. Now, I'm saying we ought to accomodate at least that 20% which includes the 3% within the Bristol Bayites, preferably to accomodate the 40% Alaskans but you can't do that through a cost of living differential type of thing but we can accomodate all our villagers very easily.

UNIDENTIFIED SPEAKER: You're taling about bodies there, you're not talking about percentage of the catch.

UNIDENTIFIED SPEAKER: Yeah, I'm talking about percentage of the catch.

UNIDENTIFIED SPEAKER: How about in terms of bodies?

UNIDENTIFIED SPEAKER: In terms of bodies, you have a different situation.

You have more bodies, you have something like Alaskan bodies are about 60%, no about 55%, and non-resident bodies are about 45%, but non-resident bodies catch many more fish than (indisc.). Roughly 45% Alaskans, I mean non-residents, 55% Alaskans.

UNIDENTIFIED SPEAKER: And the 45% non-residents catch 80% of the fish?

UNIDENTIFIED SPEAKER: Right. No, No, I beg your pardon...45% of the non-residents catch 60% of the fish.

UNIDENTIFIED SPEAKER: 40% of the non-residents catch 60% of the fish.

UNIDENTIFIED SPEAKER: Yeah.

UNIDENTIFIED SPEAKER: And the other thing was that 3% of the fishing payday is retained in the confines of Bristol Bay Borough made by persons who are residents of Bristol Bay Borough. 97% goes to the forewinds, but, of course, part of that goes to Alaskans as well.

UNIDENTIFIED SPEAKER: 40% of it is Alaskans, you say, so 37% goes to other Alaskans outside the bay.

UNIDENTIFIED SPEAKER: Right.

UNIDENTIFIED SPEAKER: 3% of the money, the payday, stays in the Borough.

And then 20% is another thing you say...20% goes...

UNIDENTIFIED SPEAKER: 20% goes in the bay in general (indisc.)

UNIDENTIFIED SPEAKER: And then 40% ...

UNIDENTIFIED SPEAKER: Another 20% goes elsewhere in Alaska. 3% is part of that 20% that's in the bay, of course.

UNIDENTIFIED SPEAKER: Okay.

UNIDENTIFIED SPEAKER: Then 20% goes to other places in Alaska?

UNIDENTIFIED SPEAKER: Yeah. Like it seems to me that you could...here's the

thing that's got a lot of people down there concerned...we really have incidental fishing..we don't have professional fishermen...and we're not going to have professional fishermen.

UNIDENTIFIED SPEAKER: That's quite a substantial part of your income (indisc.)

UNIDENTIFIED SPEAKER: Well..I had a meeting a while back and all these guys worked for limited entry and yet the way the Governor's bill originally was conceived, the premise was we were going to establish essentially a professional fishery from which persons could make their livelihood primarily from fishing..well, that guy-for-guy...nobody in that room had the desire to become...sure I'd love to make all my living from professional fishing but then they are not gonna follow the king crab to Kodiak and the halibut someplace else and come back to Bristol Bay... you're not going to create a professional fishery in a one stock species in Bristol Bay in a short term...nobody's going to tolerate you making your living - 20,000-30,000 a year every year off of three weeks out of the year. It isn't the intent of desire for those people who become professional fishermen so if you're not very careful, you establish a situation where you haven't done anything really to cut very much gear.. all you've done is screen out all the non-professionals in the area and supplanted them with a professional fleet that moves in, harvests a run and away they go, and I really don't think that's what we are aspiring to. Do we really want to get that school teacher or that pilot - that guy who's doing something else - out of it completely and he's going to stand on the beach and watch it all go by. Man, you're going to have a shooting war if that happens. And I say we better try to accomodate first those guys who are more or less traditionally dependent (indisc.)

John, the thing that I'm bringing into this which is a new concept insofar as discrimination is concerned. We've made our pick on residency and

non-residency, but isn't there a factor for potential discrimination that we haven't touched. It's not illogical because let's consider it the national level and that's that cost of living differential. We have a tremendously high cost of living differential in Bristol Bay--almost double Anchorage, which (indisc.) one point up above Seattle. Isn't it perhaps a possibility that we could say (indisc.) tremendously high cost of living differential and I suspect that you could do all sorts of things and get special dispensation in regard to that cost of living differential and its impact obviously to the financial detriment of the guy that lives in that area as compared to the guy who doesn't. You're going to (indisc.) find a guy for what I'm talking about. You set up all these qualifications related to historical experience, percentage of income. I'm all invested in gear--here I am two guys--one of them lives in Seattle and one of them lives in Eek--we both earn \$10,000 a year fishing--we both have \$10,000 invested in gear--we both have fished for 10 years. Now, there's no relationship at all insofar as their dependence on fishing for a livelihood--the guy who lives in Seattle compared to the guy in Eek and yet on paper under almost any type of criteria formally drawn, they are going to appear equal. And I don't know how you're going to work in these other little factors unless you relate it against the cost of living and I would like to see the cost of living consideration somehow or other weighted very heavily in this bill and I again would like to have you bounce that off of your friend, Fletcher.

CHAIRMAN: Why doesn't this simply do it in itself, Jay...persistent participants in that fishery has provided a primary income source substantially during all of the three years prior to January 1, 1973.

UNIDENTIFIED SPEAKER: It does for the guy that doesn't have the pilot's job, so on and so forth, but it doesn't bring in (indisc.)

UNIDENTIFIED SPEAKER: No, it's almost not the primary circuit income for anybody and the guy who is not working for the last few years--the guy on welfare--has a primary source of income that far exceeds his fishing pay day. When you're making 3-4 hundred bucks, if that, fishing, and on welfare giving you maybe a couple grand a year, you can hardly figure (indisc.) But I would like to have you bounce that cost of living concept off of Fletcher and say "see how far you can go". If you could do this, you'd really accomodate everybody that fishes in Bristol Bay who resides in the bush, without question. Now, you'd accomodate the professional fishermen who resides elsewhere and makes the bulk of his livelihood from Bristol Bay which I don't think there is such a thing in existence. There's nobody that's making 50%--well, there might be.. 50% of his earned income, if he's really dependent on it and he's only making peanuts.

UNIDENTIFIED SPEAKER: To many of these welfare people, there is no alternative available.

UNIDENTIFIED SPEAKER: It's just like your friend, Bill Baldwin, he's living in Anchorage and working there in the winter so (indisc.).

UNIDENTIFIED SPEAKER: Well, yeah, but what do you say about his village? (indisc.)

UNIDENTIFIED SPEAKER: Where is he from? (indisc.)

UNIDENTIFIED SPEAKER: (Indisc.) Bay.

UNIDENTIFIED SPEAKER: But, I'm concerned about these rural areas. Really, there's less and less reason for living in them. To begin with--now, we ought to establish do we really want them to dry up--we are artificially sustaining them. I think it's ridiculous...I think we ought to provide what assistance we can to allow them to sustain themselves from whatever

can be done in the area and I think this type of concept leads to it. You go this professional fishermen route--guys coming in--let's say we in Bristol Bay, a few of us, do want to become professional fishermen, we know we can't do it only on Bristol Bay Reds--we go into other fisheries--that guy ain't going to be living in (indisc.) or Bethel or EEK, he's going to be living in Seattle and I think you're going to depress these communities even further if you (indisc.) very carefully assure the guy who's living there now even if he's an incidental fisherman. He's gotta be allowed to participate. But if there's a legal way of giving the guy who chooses living that country some sort of (indisc.) I think you ought to do it. And I say the cost of living differential is a means that should be explored as a possibility, but the legal problems on the ...

UNIDENTIFIED SPEAKER: (Indisc.) see if you can get Fletcher on the phone now.

UNIDENTIFIED SPEAKER: I tell you, it's all so jumbled up in my head I couldn't...

CHAIRMAN: Well, didn't you have a good (indisc.)?

UNIDENTIFIED SPEAKER: I just wanted to give it to you for consideration and let you think about it.

CHAIRMAN: Let's go ahead, then, and not get all....

UNIDENTIFIED SPEAKER: Well, then, it seems to me that #3 on that page is the same as 2--you've changed the term from career fishermen to alternate occupation but unless you - alternative single fisherman -- are you going to define or again, how are you going to determine what's substantial income supplement? Are you going to set percentages?

CHAIRMAN: Fletcher really didn't think that we asked him that if this language is too vague and his response was "no". And I see this stuff that we're just looking at could be more refined than what we had.

UNIDENTIFIED SPEAKER: I don't even know what policy we want to follow on this.

UNIDENTIFIED SPEAKER: Well, that's one of the big problems we (indisc.) I don't even know what I want it to say. I don't know what I am trying to say here. Well, this is what you may be saying if I knew what I wanted to say, but I get into this thing...do you want to penalize a guy now that he's been forced out of that fishery and he's got substantial income some place else...if that's what he'd like to do. You know?

UNIDENTIFIED SPEAKER: I thought our policy was he didn't want to. We didn't want to force him out.

UNIDENTIFIED SPEAKER: Well, then you can't rely upon substantial income then or whatever hell...

UNIDENTIFIED SPEAKER: What are we really trying to do? We all know what we'd like to do. We'd like to say, you damn non-residents can't come fish. But, you can't do that. Now, is there any way to approximate that though? And I think there is. But, you're not going to do it by establishing the type of thing which tends toward the professional fishery in Alaska.

UNIDENTIFIED SPEAKER: If we do it on the basis of experience, it isn't going to work; if we do it on the basis of capability, it isn't going to work; if we do it on the basis of ability to harvest fish which means equipment (indisc.) it isn't going to work. If you're going to go on the basis of who caught the most the year before, it ain't going to work.

UNIDENTIFIED SPEAKER: That's right.

CHAIRMAN: Well, that's the reason we need to get back to the idea of..... cost of living.....

UNIDENTIFIED SPEAKER: I'm trying to think of how we tie that in..that's new, I'll admit that and it's something that would work the further away you got from the bay it would work evenly right on back to Seattle. If you

tend to give it all an advantage, you tend to give the Anchorage guy an advantage over Seattle (indisc.), but less than the bay (indisc.) which is exactly what we wanted.

CHAIRMAN: Would it work? (indisc.) What is it--a matter of 200% or nothing?

If you (indisc.) 200%, you're eligible--if it's less, you're not.

UNIDENTIFIED SPEAKER: I would think you'd have to stagger it dependent a guy one and a half times the national average was not quite in the high prior y category, but I took twice the national average here because I think that clearly establishes only the bush (indisc.). I don't think Anchorage is placed in national average (indisc.).

UNIDENTIFIED SPEAKER: Fletcher gave us a pretty good lecture about the difference between the qualifications to enter fishery and then after you once get that established in the first instance who gets the license I start with? Who gets the second generation of licenses? And he said you could do a lot because of the grandfather situation on giving the original licenses that you won't be able to do on a second go-around. For instance, the cost of living is such a personal thing you could say "blue-eyed guys" or you could say a lot of different things. What's that got to do with the fishery? What's that got to do with conservation resource-if the guy's cost of living if he comes from Seattle, that's one thing; if he comes from California, it's another thing; and if he comes from Kodiak, it's another thing. That has nothing to do with conservation of the fish. It has nothing to do...

UNIDENTIFIED SPEAKER: Financial dependence does (indisc.)--historical participation doesn't either...

UNIDENTIFIED SPEAKER: Well, but he says you can do that on the basis of

hardship--the first go-around.

UNIDENTIFIED SPEAKER: Well, I'm just talking about first go-around here.

CHAIRMAN: (Indisc.) separating between two people that has the same grounds for the rights otherwise.

UNIDENTIFIED SPEAKER: Yeah, that's right. And one of those lives in the highest price place and one of them in a low cost place. How do you justify that? Unless one of them caught more fish, you're going to have to consider how much they cost you.

UNIDENTIFIED SPEAKER: I thought you said you could do any of this initially.

CHAIRMAN: When you're treating all of these guys who are (indisc.) in compared to all of them out then you can do many things from the Grandfather's Clause which, if you do not allow them to stay in, creates a hardship on them. (Indisc.) so now you're taking those who have been in and all are together as far as the grandfather's right in distinguishing between fishermen...

UNIDENTIFIED SPEAKER: Obviously, the harder impact is on the..harsher impact.. is on the guy who lives in the less costly area. I don't know. I'm just throwing it out for you to chew over with Fletcher. I'm not prepared to say whether it has any.....

UNIDENTIFIED SPEAKER: If we can figure out a way to work it in there you see that has the shading that we want because you'd take....

UNIDENTIFIED SPEAKER: I don't care if you live in Timbuctu or Madagascar--if you happen to be in this -- I think it should relate again to domiciliation-- it don't say anything about residency. But, if you were in fact domiciled during the major portion of participation and really hit because of these expenses, you obviously have a greater dependency on that fishing income

than the guy who is not similar. Now, again, can you possibly have a chop-off? I doubt it. We've got a 49% above not eligible and a guy 50% above eligible. I think it opens some interesting vistas for (indisc.)

UNIDENTIFIED SPEAKER: It may take a combination of a lot of these things to eventually do it.

UNIDENTIFIED SPEAKER: Or, if you could take into consideration the guy's dependence upon the fishery, economically, then it seems like you've taken this consideration how far that money as a matter of dependence took him that he got from the fishery.

UNIDENTIFIED SPEAKER: It's not too big a step there.

UNIDENTIFIED SPEAKER: Well, you know, John, I've pretty well concluded while I have always been more an ardent advocate of (indisc.) limited entry, I tell you after looking at these 3%, 97% differentials, to me, clearly the way for us to go in the Bay is utilizing our tax authority. Shoot, I don't care if it comes...I'll be delighted if they hit me between the eyes with a tax if I know for every three bucks I pay, we're getting 97 from outside, and we can funnel it back in services and all manner of goodies that...perfectly legal, right?

UNIDENTIFIED SPEAKER: Yup.

UNIDENTIFIED SPEAKER: And that to me.....

UNIDENTIFIED SPEAKER: (Indisc.) you have your own burough welfare program.

UNIDENTIFIED SPEAKER: You bet. And we could end up conceivably with a situation the non-resident fishermen fishing for the Bristol Bay Development Corporation for example or as I've said many times, this guy instead of concerning ourselves maybe with who fishes, fellows come on in, we could care less you're going to pay the price of admission and it stays behind...maybe that's our problem.

CHAIRMAN: That increases your tax base.

UNIDENTIFIED SPEAKER: That's right.

UNIDENTIFIED SPEAKER: Your (indisc.) property because you've had more boats in there.

UNIDENTIFIED SPEAKER: That's right. Not only on a local level but I think there's a lot in this at the State level and incidentally we're trying to do something on this at the local level...I think we'll dramatize it, but that's something else again cause we're still looking at limited entry but I was kind of cooled a lot on limited entry because of this.

UNIDENTIFIED SPEAKER: We just screwed ourselves because we haven't utilized the tools available to us...sitting there whining the depressed economy in Bristol Bay with a five million dollar pay day right off the (indisc.) it's ridiculous.

UNIDENTIFIED SPEAKER: Ok. Let me ask you something here, we've been wrestling with this matter here of transferability on that part. Have you discussed that with anybody?

UNIDENTIFIED SPEAKER: Yes, I have. I sure have.

UNIDENTIFIED SPEAKER: What do you think of that?

UNIDENTIFIED SPEAKER: Well, OK. Let's work on in to that.

UNIDENTIFIED SPEAKER: The trouble with what we are talking about here is--if I knew the policy questions, I would be interested in what you are saying.

UNIDENTIFIED SPEAKER: Yes.

UNIDENTIFIED SPEAKER: But, I'll be Goddamned if I'm interested in worrying about language when I haven't even figured out a policy.

UNIDENTIFIED SPEAKER: I know what you mean there.

UNIDENTIFIED SPEAKER: I just--you're talking into detail...a lot of these things

that have...if you have a policy.

UNIDENTIFIED SPEAKER: Well, let me tell you what my policy is--that I'm talking on--that I'm working on. My policy is to exclude the non-resident fishermen.

UNIDENTIFIED SPEAKER: OK, I got the same policy. But, I don't know how we are going to do that.

UNIDENTIFIED SPEAKER: Well, this is why I'm talking about ...things like.. area domiciliation, costs of living differential...I think it could be used to do it.

UNIDENTIFIED SPEAKER: That would be in the first instance of giving, granting the first bunch of permits.

UNIDENTIFIED SPEAKER: Right, right...No, No, the first bunch. But, okay, let's...you've got it and I've probably overdone it and I'm sorry, but you know...and you've got it in the back of your mind..

UNIDENTIFIED SPEAKER: Let me ask you a question--what's the difference legally between the domicile and the resident fishermen?

UNIDENTIFIED SPEAKER: Oh, sometime resident fishermen is where your boat is, where you pay taxes, or something...where the domicile is where you eat your bread, put your shoes, or where you sleep.

UNIDENTIFIED SPEAKER: A domicile is usually your residence, but you might strictly say that a guy on a military base--to keep the residence there--where they render their services and pay their taxes back there, and vote on an empty ballot. It's inevitable..Fort Rich..to pay him a domicile.. if he lives off base.

UNIDENTIFIED SPEAKER: We seem to have a difference here. We are saying that residence and domicile is the same thing. But it doesn't have to be. Because residence means more of legal things, legal situations, domicile means where you sleep.

UNIDENTIFIED SPEAKER: Here I guess so. Just show me fact.

UNIDENTIFIED SPEAKER: Are you really going into the real estate business..
in Bristol Bay?

UNIDENTIFIED SPEAKER: That is a little domicile. (Laughter) Ya.

UNIDENTIFIED SPEAKER: We may be looking for a (indisc.) of attorneys.

UNIDENTIFIED SPEAKER: Would you like to buy a domicile?

UNIDENTIFIED SPEAKER: What you do is to get a boat job and..(Laughter)(indisc.)

UNIDENTIFIED SPEAKER: Well, let's see. Yes, about transferability...I don't
really have much more in your bill. I did a lot more on the House bill
in the amendments that would fit into and relate to that.

UNIDENTIFIED SPEAKER: I don't care what the (indisc.) I just want to know
what the idea is.

UNIDENTIFIED SPEAKER: OK. I'll tell you.

UNIDENTIFIED SPEAKER: ...transferability...

UNIDENTIFIED SPEAKER: I don't want to talk about words..I want to talk about
ideas.

UNIDENTIFIED SPEAKER: The big problem there..the big concern..is that guys
are fearful that particularly these villagers which we know we got to
try and accomodate somehow or other ..and should be worked into the
fishery are going to be the first to sell their licenses...under pressure.
Pressured out of the fishery under one means or another. They are hit with
a fifty dollar a year assessment fee and the 7% of the catch assesment
on top of that whether they fish or not which could amount to a sub-
stantial amount of money. That guy (indisc.) with two kids in the (indisc.)
with his wife and himself, maybe as much as 12 years...500 thousand dollars
a year. The pressure is on him. Assuming the fisheries are good, and will
make that up is fine, but it is going to be a long time before that. He

is going to be the first to be looking around..and will be vulnerable to selling his license, but where is that license gonna go? It goes to where the cash is most available for purchasing...and that isn't going to be in New Halen..it's not going to be in Naknek, and it's not going to be in Anchorage...ultimately maybe in Seattle, or what have you...or the processors will most easily come up with the funds to bid for these licenses. And there is a fear that ultimately they will control a very substantial portion of them. I think--one, you could diminish that pressure on the gut at the local level to get rid of his license by putting a destitution clause in it. Rather than hitting that little guy with fifty bucks a year and a 7% assessment, why don't we say...provided how ever if you made less than "X" you pay 10, 5 dollars, what have you. I think it would diffuse that to a financial extent. Now, I don't know.

CHAIRMAN: I think that just the \$50 permit fee for each year itself is going to be quite effective in getting rid of some of these licenses.

UNIDENTIFIED SPEAKER: And it's not going to be the sophisticated white man. He ain't gonna part with his, but that little guy in the bush is gonna say, "Holy Cow--a 500 buck bill? For Me??" I think that the first guy that comes down the plank with a check for that license, he's gonna be hard-pressed to want to hang on to this Albatross around his neck.

UNIDENTIFIED SPEAKER: Incidentally, you know (indisc) Naughton went home last weekend and we had a meeting with fishermen, and there was only one guy out of the whole bunch that wanted to see free transferability.

UNIDENTIFIED SPEAKER: Is that right?

UNIDENTIFIED SPEAKER: How do they want to have you handle it? What was their alternative?

UNIDENTIFIED SPEAKER: As I understood it, through the commission.

UNIDENTIFIED SPEAKER: How? How do they decide (indisc.) effect the generation?

UNIDENTIFIED SPEAKER: Well, we haven't got that far.

UNIDENTIFIED SPEAKER: That's the guff...ya, that's the problem.

UNIDENTIFIED SPEAKER: But, they didn't want to see them sold.

UNIDENTIFIED SPEAKER: That surprised me because they are a much more sophisticated group than the Bristol Bay bunch.

UNIDENTIFIED SPEAKER: It doesn't mean anything what they say until if you know they are following through.

UNIDENTIFIED SPEAKER: Because they will change their mind when they (indisc.) during the second half of this thing. When they see what the alternative is..they will say, "Look I voted for those sons-of-bitches--I voted because I was one of them...Hell, we didn't know you would put them (votes) in a hat. Must be guys from Anchorage drawing them". You know?

UNIDENTIFIED SPEAKER: You've got to thin these people out...

UNIDENTIFIED SPEAKER: That's why I don't want to see us go into this thing.. until we get it pinned down. Because I think that if it should turn out the way we don't want it, and I don't know that anybody is going to figure this thing out any better than we are. And if we can't figure it out, we have really got to look at our whole card and delve into it.

UNIDENTIFIED SPEAKER: I was much more apprehensive frankly before I came down here than I have become--maybe I've been lulled into thinking these things can be handled with a great deal more input at the local level to the commission to take care of some of these things, than you guys can possibly consider at this date and time.

UNIDENTIFIED SPEAKER: We can always turn this over to God and eventually...

UNIDENTIFIED SPEAKER: Oh, but John.. you tell me that the literal framework that that commission is going to formulate regulations...that's going to be fair, and is going to accomplish something.

UNIDENTIFIED SPEAKER: Well, that's it, John. I think you'll find out in many instances they'll go into these areas and attempt to do this and they'll be totally incapable coming up with regulations and know why. I don't think that they will be able to do it. What I think they can be.. I think in other instances they will be relatively simple. But I don't think we should cast aside limited entry on the simple fear that you tell me what you are gonna do with transferability.

UNIDENTIFIED SPEAKER: All right now. Transferability is...you got the two alternatives and nothing is any good unless the alternative works.

UNIDENTIFIED SPEAKER: Can you tell me what you think of this?

UNIDENTIFIED SPEAKER: Now, the one that's a concern as I say is people fearful that processors will end up with all...I don't carry that to the extent that some people do. It's a little paternalistic to concern yourself with protecting people against themselves and is that fellow, in fact, who does peddle it to the highest bidder worse off than the guy who chooses to get out of it for the same reasons whatever they may be... and it simply goes back to the State. He, on one hand, you have given him something of value, on the second stance, you have given him something that really has no value. Other than...once he gets rid of it.

UNIDENTIFIED SPEAKER: (Indisc.) totally using it. If he has nothing to sell in other words.

UNIDENTIFIED SPEAKER: So, I...if you don't give free transferability, what if you gave a restrictive transferability?

UNIDENTIFIED SPEAKER: This has been proposed and not my idea. It may have some merit--have you seen that proposal? Simply says for the first ten years you may opt to either have a freely transferable or a non-transferable permit. You're not familiar with that?

UNIDENTIFIED SPEAKER: In other words here is what happens. Some would have it free and some would have normal transfer. Well, here is the difference. If I want one freely transferable, I have to pay the assessment. The \$50 and I'm not too sure about the 7%. But the \$50 I have to pay. I want it freely transferable.

CHAIRMAN: And the buy-back assessment?

UNIDENTIFIED SPEAKER: Yes, If I want one that is not freely transferable, I am not charged the \$50 and I'm not charged the buy-backing.

UNIDENTIFIED SPEAKER: What about the transferable one...?

UNIDENTIFIED SPEAKER: The guy died, what would happen?

UNIDENTIFIED SPEAKER: Well, it would go to the State, I suppose.

UNIDENTIFIED SPEAKER: Okay. If he gets sick, and if he can't fish? Tough.

If he decided that he wanted to sell....

UNIDENTIFIED SPEAKER: That's right. That's the consideration a guy is gonna have to bear in mind. Is it worth \$50 a year?

UNIDENTIFIED SPEAKER: Now, I was talking to Jackman about the possibility-- he was interested in the possibility of melting the destitution clause with transferability. Just exactly how he was gonna do that I don't know but would it be any merit to do certain things if you're really concerned about that guy who's got a very low income. Either he is sick and can't fish at all, or the dependents that he has got. He should be allowed to transfer.

UNIDENTIFIED SPEAKER: That's the only time the other guy is gonna want to transfer his too. When he gets through and it's used...(indisc.)..that's when it's most convenient..he's sick or dies or wants to move on.

UNIDENTIFIED SPEAKER: Well, the nice thing is--if you can put it in the (indisc.) but you can't do that. That's getting into unconstitutional (indisc.) But, I mean, let's say, limited transferability-you can't sell it outside the

family - that type of permit if you opt for it. The second type - if you want a freely transferrable one (indisc.) - limited transferability would be perhaps something else. I don't know. I have mixed feeling about transferability. On one hand, I think I don't like the idea of (indisc.) property right (indisc.). On the other hand, what really is injection to it? The idea of it being unfair - that certain persons who are qualified so that they have a eindfall that's going to advantage them financially.. relly doesn't turn me off because it isn't anything out of my pocket in the process. So what if we can benefit a group of persons and give them something that's totally valuable without taking it from somebody else.

UNIDENTIFIED SPEAKER: (Indisc.)...take it from the second generation of fishermen..... you're gonna have to pay the first generation..

UNIDENTIFIED SPEAKER: ...to secure the (indisc.) rights...

UNIDENTIFIED SPEAKER: Which means that they're the resource then..the billion dollar resource. You're giving it to the first generation, they'll sell it to the second generation and if it's gonna be sold and the second generation has to pay to get in...they ought to be paying the State. Not the first generation who had it given to them. See the problem?

UNIDENTIFIED SPEAKER: Yeah. Well, you're saying that the only transferability should be back to the State is the alternative.

UNIDENTIFIED SPEAKER: I was trying to read this through the other day and I am absolutely convinced that this thing has to be simple and understandable (indisc.). Every time that we begin to make a special provision to handle the problem that we've got, we develop an internal revenue code..is what we are doing.

UNIDENTIFIED SPEAKER: I really think, if we do it, we are gonna get down to a lottery deal -- where a guy holds it -- he holds it as long as he wants to -- and when he gets through using it, he doesn't use it for, say, four

years or five years or a cycle and it automatically goes back or he leaves the fishery or (indisc.) and then they reissue those on a lottery and they issue maybe two out of three, you know. And so they keep squeezing it down you know. So, the next guy gets it for nothing. Everybody's got an equal chance on it.

UNIDENTIFIED SPEAKER: I want my first proposal (indisc.). Let me just (indisc.)

The first proposal I had begun on Limited Entry this year was simply this - All right, create a moratorium, which is I understand a bad word around here, but if you can't go back and say, Okay, we're gonna issue no more licenses than were issued in each area for each type of gear that were issued last year. If you can't do that and I understand that there's some question whether you could...say, instead we're gonna issue anybody who wants a license this year in that particular area for that type of gear. Con on in. Everybody that wants one can get one. Then, we are gonna lock it up. That's the end of it. You're gonna revalidate that license each year and until such time as you no longer revalidate that license by paying your fee...it shall be yours. (Indisc.) to pay, what have you, that license is no longer in the fishery. Now, each year you are gonna have some unclaimed licenses. Let's say we initially start out with 2700 licenses issued in Bristol Bay. Through death, attrition, failure to pay -- we are down to 2500 the next year. We've got 200 unclaimed. Well, to provide for some slow attrition to the amount of gear you simply issue again by lottery, 50% of them. Now, that's the simplest way you can handle this thing and I think it's the fairest. But...

UNIDENTIFIED SPEAKER: Everybody would understand it...

UNIDENTIFIED SPEAKER: Everybody would understand it, you haven't excluded anybody. The only guy you're offending is the person not yet born...because I can get my kids -- a little baby that big is entitled to get a gear license.

And you're tremendously increasing the amount of gear licenses issued, certainly. You're gonna tremendously increase the State revenue. Now, are we gonna increase the effort, the participation in the fishery... I don't think so. You're not gonna diminish it to any extent notably, to begin with certainly. You know..you have 4000 licenses issued for Bristol Bay. You'll have as many people as ever fishing there except for one thing. And again, in the bay, and this is a funny thing because you know for years I've tried to do certain things through regulations to dissuade people from coming. We finally got it through. And that's that sliding gear scale. We said, come on fellows, if you want to. But, brother you're gonna get cut accordingly if you've got 5 or 6 times too many fishermen...you get cut down to 1/6 the normal amount of gear. But a t errible year coming up; hopefully, that would dissuade all sorts of people from coming. But if they do come then, I say utilize your taxing potential to make them pay for the privilege. And you'd automatically dissuade person after person from coming. And I know it would work in the bay and it's the simplest way possible. But it isn't applicable perhaps to ot her areas. But, nevertheless, I think at the, if you could go back one year, Al, you're an attorney, do you think you could do this.... Do you think you could go back one year and say - "we had 2700 licenses in Bristol Bay last year, that's all we are gonna issue and we're gonna do it on this basis; we're gonna issue to those who had maybe a history of fishing two years out of ten or something...?"

UNIDENTIFIED SPEAKER: Well, Fletcher says you can do it maybe for a year or so while you are getting organized..but it would only have to be enough to freeze it - just to get a handle on it, but then you're gonna have to have it processed to where there'd be some entry and some departure and there;s be some (Indisc.). You can't freeze it for the benefit of the

class that used it before as an ongoing proposition.

UNIDENTIFIED SPEAKER: But we start out--we say the first priority goes to those initially, that met certain criteria, about 2700. And we got--maybe we'll have 3000 that meet that criteria.

UNIDENTIFIED SPEAKER: You know what you could do? Take the number of people in the first (indisc.) year, put them in a hat and issue licenses for two out of three of them.

UNIDENTIFIED SPEAKER: Yes, but politically, it kills ya. Forget it.

UNIDENTIFIED SPEAKER: But, I'm saying accomodate everybody who fished last year. If you want (indisc.) But if that's vulnerable...go into this coming year and say anybody can get a license. And, I'd like this because it gives you such a tremendous (indisc.).

CHAIRMAN: (Indisc.) anybody that shows participation over the last 3 years we could still do that ...(indisc.)...the manpower clause...(indisc.)

UNIDENTIFIED SPEAKER: Well, the, say, Okay, no more licenses than were issued last year or just those persons who met this, that number shall be it initially. And as long as you revalidate your license. Now this is the thing that has occurred to me in Kodiak and I tried to do something interesting on it and fell flat on my face. But, we've always thought about, gee, year in and year out, you've gotta get a new license. One of our concerns, and I know it's yours, particularly as it is mine--so many of these guys are fearful of somewhere down the line a grandfather thing being established like we're looking at now or some sort of a Limited Entry... that he gets his license every year and he goes and participates even though he knows he's gonna fall flat on his face...for fear that he is gonna get screened out of the fishery. Now, somewhere down the pipe, you say, hey, you didn't fish in 19__, and therefore you now want to qualify. So he goes into the area, falling on his face even to keep his brownie

points up. Now if we did what I'm talking about, you eliminate that (indisc.) in this manner. Forget the idea of issuing licenses year in and year out. Let a guy who is qualified get his license. And that's it, brother. He has nothing more to worry about. He can fish it or not as the case may be...Make him pay for it every year. The minute he quits paying for it--that's the end of it. That one comes out. Then couldn't you, when you have the gear down to the point where you can afford more new entries, then you can provide by lottery or whatever system you want. But you get this attrition--you've applied for limited entry along the way by half - 50% - of the unavailable licenses.

UNIDENTIFIED SPEAKER: We can do that. Our problem though, again, is how do you transfer this thing and how do you distribute the new ones, you see? You're just exactly right, that's one way to do it. That would work.

UNIDENTIFIED SPEAKER: To me, that seems the simplest way and then you're not getting bogged down in all the details and expenses. What are we trying to do with this thing? What we're really trying to do...

CHAIRMAN: Now, wait a minute. Aren't you saying just exactly what we've been saying all the time (indisc.)? In essence, you put the lid on where we are now (indisc.) participation in the past two years, okay, and then by attrition, you slowly work your way down to these standards we're setting up, whatever it takes to harvest the Bristol Bay--a four year average or something like that--and then you have to provide for the long run then, as far as new entry. Either by lottery, transferability, or something else. Is that where we are? Is that where you are right now?

UNIDENTIFIED SPEAKER: Well, yes, but it's such a simpler way to accomplish the same objective. You can do it on a one-page bill.

CHAIRMAN: I know.

UNIDENTIFIED SPEAKER: Here, I've got it for you. I never pursued it any further...I bounced it off of the...I'll give you copies of it. This is very crudely drawn and it's just a work copy that I made up for the Borough Assembly and I bounced it off of those guys and they said, Hey, that's exactly what we want.

UNIDENTIFIED SPEAKER: (Indisc.) just tell me what it does. It just merely says (indisc.)

UNIDENTIFIED SPEAKER: Here we go. The Department of Revenue may not issue a greater number of salmon gill net gear--I'm relating strictly salmon gill netter here--than the greatest number of such gear licenses issued during the previous year for given fishing area. Licenses shall be issued first upon application first to those licensed for the given area or district during the previous year. Now, you can bring that around to whatever you want..3 blah, blah, blah. If, by the registration date deadline, there remains some unclaimed gear licenses, the Department of Revenue shall determine by drawing those new applicants who shall be issued one-half the number of licenses unclaimed. (Indisc.) established a small (indisc.)

CHAIRMAN: Yes, but now wait. What you're saying though is that the guy who came in last year and fished for the first time is more deserving to come into that fishery than the guy who has fished for twenty-five years up to last year and for some reason didn't fish last year.

UNIDENTIFIED SPEAKER: No, I gave you a variable. I said, do what you want. (indisc.) I'm just establishing (indisc.) You don't have to be last year's number. You establish an amount of gear that you want. Then you make it first available to (indisc.)

CHAIRMAN: Well, why don't we accomplish the same thing? Instead of saying a number (indisc.) why don't we (indisc.) have been able to that (indisc) have participated over a period of years here dependent on this for their

primary, substantial income. That category. We're right back where
(indisc.)

UNIDENTIFIED SPEAKER: I don't care. Then when you get these applicants down, you'll get a number. You'll find out how many are qualified. Maybe it will be 3000 in Bristol Bay. You give those guys licenses--then you say, Hey, you've got your license forever more. Until you no longer pay for it and then it's dead. It's as simple as that. It's dead.

UNIDENTIFIED SPEAKER: If you want to enter another fishery, you're gonna have to stand in line and if there's any spare ones, half of them will get one by lot -- if you're lucky to get one, if you don't, you don't.

UNIDENTIFIED SPEAKER: Now frankly, the simplicity of it would make the (indisc.) work.

UNIDENTIFIED SPEAKER: But, John, if you're scared about going back a year.. now Fletcher says you can do all sorts of things first time around.. but let's think of it even more clearly legal, to say, and that is to go into this year. Say, Hey, look, we're gonna issue the number of licenses for a given area in an amount equal to the number of gear registrants for this particular year. Now what's gonna happen in Bristol Bay--you'll have a vast increase. You'll have 4000 licenses or maybe more issued to Bristol Bay. You haven't got any gear now but then you go into this bit of establishing the idea of buying a lifetime license as long as you validate it each year. The idea--we've always been locked into the idea--you go down and you make application for a license each year. The outside fisherman who now goes to the Bay and fishes and gets his license each year and fishes it, fearful of the Grandfather Right thing, will have it in his hot little hand. He's not gonna worry about whether he comes or not. He's got it for as long as he pays for it.

UNIDENTIFIED SPEAKER: Or we could just say licenses will be issued first to the person who held it the year previously and second to the lottery-- so 50% of the ones that are unclaimed to those who have applied for them.

UNIDENTIFIED SPEAKER: Now, the worry of what I'm talking about doing and you know I, on the basis of how many apply for this year, and not even fool around with their qualifications at all. You're gonna have a tremendous increase in the paper register, admittedly. You're probably not gonna make much difference in participation really. I don't know--although you might when a guy pays--what does he pay for a seiner? One hundred and seventy five bucks. I don't think it's gonna be introduced for a guy from Seattle paying fifteen bucks for getting that license to come to the Bay simply because he paid fifteen bucks.

UNIDENTIFIED SPEAKER: You know, I really think that maybe you could make the thing fly.

UNIDENTIFIED SPEAKER: A one-page bill and (Indisc.)

UNIDENTIFIED SPEAKER: Let me read the whole thing. This is anticipating a freezing of licenses at the level of last year. Now, that, of course, is variable. You can freeze it next year. The Department of Revenue may not issue a greater number of licenses than the greatest number issued during the previous year for a given fishing area. Licenses shall first be issued upon application of those licensed for the given area or district the previous year. Now, Bob, you're gonna have to change that. But, let's start out with it. If by the registration date deadline there remains some unclaimed gear licenses, the Department of Revenue shall determine by drawing those new applicants who should be issued only 50% of those unclaimed licenses. We had 2700 licenses issued last year. We say this is what we're issuing in Bristol Bay this year. 2500 are claimed.

UNIDENTIFIED SPEAKER: First come, first serve?

UNIDENTIFIED SPEAKER: Yes.

UNIDENTIFIED SPEAKER: We might do that, too. Just have a lottery..you just say..shall be registered. Well, but how are you gonna sign the (indisc.)? It's like on an oil lease. You know, if you have--if a guy stands in line for four days so he's there on Monday morning when they open up, then they get him on the list or what?

UNIDENTIFIED SPEAKER: The only guy we're offending under this is the person not yet born. Anybody that wants to get in on it..you don't have to worry about lottery. If you've got kids down the line, you buy them all licenses right now. And, of course, what happens. What would this do? One, you would vastly increase the State revenue for fishery, initially...a tremendous increase which would be sustained for a long period of time. Two, you have accomodated everybody now in the fishery. Three, you have provided for slow attrition of gear.

UNIDENTIFIED SPEAKER: Now, wait a minute. How you gonna get the attrition?

UNIDENTIFIED SPEAKER: How would you get the attrition? Because you only issue half the unclaimed licenses each year.

CHAIRMAN: All right, now what do you mean by unclaimed? I thought you did not have to renew the permit. Just buy the fishing license each year and that keeps it going.

UNIDENTIFIED SPEAKER: You have to buy it each year. You have to buy it each year. I die somewhere along the line--that's no longer claimed. That is one (indisc.) back to them. Ultimately, you're gonna get down to the point where, Hey, suddenly you're down to where you've got a manageable amount of gear. Now, admittedly, it doesn't do anything dramatic but I think it's

UNIDENTIFIED SPEAKER: This is really the second year after the first (indisc.)

First we open it up and say anybody can come in the first year. And there may be 4000 issued...

UNIDENTIFIED SPEAKER: Just like it is right now. Anybody who wants to can come in.

UNIDENTIFIED SPEAKER: But really, I'm talking about the second year. So then you can't issue any more (indisc.) issued this year (indisc.) Bristol Bay and that's it.

UNIDENTIFIED SPEAKER: And there's gonna be some of the unclaimed. They are not gonna pay that "X" dollars.

UNIDENTIFIED SPEAKER: According to the study there, they have a turnover rate of about 20% a year - something like that.

UNIDENTIFIED SPEAKER: Then, we say, well I have done other things here.

UNIDENTIFIED SPEAKER: But really that's all there is to it.

UNIDENTIFIED SPEAKER: I tell you what. (indisc.) an awful lot to come into. Everybody would know exactly where they stood. Everybody was in it now and you could say that - what am I gonna do about my kid? And you're gonna say, well, he's just like everybody else's kid. He's gonna have to stand in line.

UNIDENTIFIED SPEAKER: Well, but John, you know, I don't mind standing in line, the original concept I like real well. But I don't like that lottery because you can draw year after year (indisc.)

UNIDENTIFIED SPEAKER: I know it (indisc.) but maybe we can provide some other apprenticeship (indisc.)

UNIDENTIFIED SPEAKER: But the number--when you register to get a gear license when one opens up.

the simplest and in long term as effective as any other route you could go with offending the least number of people--least complicated. You don't have to provide a tremendous, expensive, complex commission which I think every dossier on every applicant will be that thick. By the time these guys get through (indisc.). How do I weight five year's participation against 85% dependency against \$1000 invested in gear. Holy Cow. And you're gonna end up if you draw up broad guidelines to determine criteria and for establishing priority. You'll have it so broad that you have far, far too many people in that (indisc.) plant class of priority than you have to accomodate with licenses. You have to draw lottery anyhow there. It's going to be so tight you're gonna wipe out half of our incidental fishermen, inefficient fishermen who happen to be Alaskans. And to plant them with other persons that...

UNIDENTIFIED SPEAKER: Of course, we don't dare increase the fishing licenses too much after we do that.

UNIDENTIFIED SPEAKER: What do you mean? (indisc.) an increase in what?

CHAIRMAN: In cost, in price.

UNIDENTIFIED SPEAKER: Well, let me tell you about another little "gismo" in there related to cost.

CHAIRMAN: (Indisc.) force people into fishing, I'm afraid.

UNIDENTIFIED SPEAKER: Okay, well here's what I did to that which would force them out of fishing during incidental years. I would suggest that you make a sliding scale license fee. (Indisc.) that license. In other words, the guy that--if I want to buy a license and pay into the State coffers and non-adversely impact the fishery--fine, I should be allowed to do it and the State should desire me to do it. But on the other hand,

I suggest special salmon gear license fee. Should the best available evidence indicate that the anticipated catch for a given salmon fishing area district not be sufficient to provide income equal to or exceeding that (indisc.) national poverty level. Each of as many fishermen as registered in a given area during the previous year, the Board of Fish and Game unless opposed by the local advisory board shall designate such as a distressed fishery. This is something else again. In areas or districts so designated a special salmon gear license fee shall be levied. This fee shall be in addition to regular fee, shall be equal to 1% of the value of the salmon sold by the resident, 3% sold by non-resident. I know you'd never get away with that. Even though we do have a three to one differential in the...but forget that.

UNIDENTIFIED SPEAKER: Now you're cording it up. Your first idea is clean, clear and straight.

UNIDENTIFIED SPEAKER: I'll tell you why this is in here, John. What happened.

These guys took all the bills that have been put in over the years and tried some things like this on for size and they said, Hey, I like this. And I put them all down on a piece of paper and this is what these guys like. The idea of no conflict limited entry thing. Keep it simple. Now...you're not...the guys in the Bay are arguing against, at least in the Naknek Borough (?) are arguing against the limited entry bill. They initially wanted me to come down here and (indisc.) - Hey, we don't want any part of that. The very guys that stood up in '67 and fought me on this sliding gear scale at the local level which I wanted to have as a dissuader against the (indisc.) of entry are now militantly defending it. What are those guys screwing around? We've got something here we

think is gonna keep these guys home (indisc.). Here they come up with a bill that those guys are gonna look at and say, Man I better get in on the action in Bristol Bay this year--even though we're gonna try to preclude that you know that's gonna be the response. We've gotten calls from people that - they are going down there now trying to hire kids. The non-residents are paying \$100 to a kid to get an additional license.

UNIDENTIFIED SPEAKER: I know this would work in Bristol Bay. With our regulatory powers and (indisc.), we've got it whipped in Bristol Bay. We don't need any of this stuff but we are gonna, I know we could do it. Bob, I think is is great,,,you know.

CHAIRMAN: We could use it in our Borough..taxing authority.

UNIDENTIFIED SPEAKER: You know the thing is..it's really clean, it doesn't get involved in all of this stuff that we've all gotten bogged down in.

UNIDENTIFIED SPEAKER: We're talking about any individual then could buy as many of them as he wants to. This takes care of those guys like Phil who wants to get in the seine fishery in Kodiak in addition to where he fished this year.

UNIDENTIFIED SPEAKER: He buys it this year and as long as he keeps it from
now on....

UNIDENTIFIED SPEAKER: If he doesn't buy it this year, forget it.

UNIDENTIFIED SPEAKER: If he wants to speculate on it, he can.

UNIDENTIFIED SPEAKER: The only thing you gotta do is provide (indisc) so that if he wants to get (indisc.) sometime in the future...gonna have to pay \$50-\$100 a year.

UNIDENTIFIED SPEAKER: You don't have to worry about transferrability, but the thing you've gotta do is sit down and ..what are our objectives? What are our real objectives? If you can get more money for the State, if you

can provide for an attrition of gear down to the point where suddenly you've got a manageable amount and if you can not offend the resident Alaskan, and it's legal...the only thing you haven't done is provide immediate and dramatic reduction of gear...and you haven't done one other thing...you haven't been able to guarantee that the guy who wants to get into the fishery in the future, can get into it. But you just can't guarantee that at all. You're just gonna have to say that's right, it's a matter of luck if you get in.

UNIDENTIFIED SPEAKER: You could say, John that 50% of the licenses each year shall be made available to individuals who (indisc.) - you don't have to go to a lottery. You can do it by purchase from the State. Sure, (indisc.) special entry, I don't know, but I still say that that's offending only persons now yet unborn.

UNIDENTIFIED SPEAKER: Well, or not in the State.

UNIDENTIFIED SPEAKER: Is that bad?

UNIDENTIFIED SPEAKER: No.

UNIDENTIFIED SPEAKER: What I wanted to do, this will kind of interest you, I think, when this idea of not licensing or given a permanent license and just revalidating year in and year out. First, I thought about--how do we do this? (Indisc.) determine how long he wants his license. Make him pay for it initially--right now. If I want it for 10 years, I gotta come up with a stash for the whole package. And then, an outsider, look what he'd be looking at. (indisc.)

UNIDENTIFIED SPEAKER: This is getting pretty far out. But then I get to thinking, the way we'd do it..Holy Cow. If we could do that, we won't issue any licenses this year. Nobody gets a license this year. We're gonna revalidate last year's licenses and make it good for (indisc.) and that way you wouldn't have any new entry, no new guys getting into it.

UNIDENTIFIED SPEAKER: I've got some other commitments...

UNIDENTIFIED SPEAKER: I frankly think just off the top of my head.. the only thing I've heard of that'll fly is what you're talking about.

UNIDENTIFIED SPEAKER: You know the funny thing, John, at the beginning of the session, this is one of the reasons I should have come down before, I suppose. And I went to legislative council meeting and I made a noise in the paper. You guys didn't read my letter. I said in the paper, essentially, I think, the only thing in the final analysis (indisc.)

UNIDENTIFIED SPEAKER: I don't know, I'm sorry but I should have (indisc.)

UNIDENTIFIED SPEAKER: ...stay around now and help us...

UNIDENTIFIED SPEAKER: Hammond, got any more of those?

UNIDENTIFIED SPEAKER: This is so terribly (indisc.)

UNIDENTIFIED SPEAKER: Could have a moratorium until they get down to a certain point.

UNIDENTIFIED SPEAKER: I'd rather do this. I'd rather say that they'il re-issue one out of every five that's turned back. I think there ought to be some constant entry. You see, I don't think (indisc.) absolutely froze to a certain class. Now, you remember when....(indisc.). It would be so much easier to say that we'll reissue one out of five that's turned back instead of 50% of them, see. One out of three, see, that's much better. You handle that legal problem, it isn't a closed in class, everybody in the damn world has an equal right to it. It would be legal, it would reduce the gear and it can't possibly hurt a guy that's presently in the fishery.

UNIDENTIFIED SPEAKER: What then (indisc.) windfall for the State?

UNIDENTIFIED SPEAKER: You put the damn thing on two sheets of paper.

UNIDENTIFIED SPEAKER: But what are the canneries gonna do?

UNIDENTIFIED SPEAKER: Under this sort of thing?

UNIDENTIFIED SPEAKER: Yes.

UNIDENTIFIED SPEAKER: What do you mean?

UNIDENTIFIED SPEAKER: Well, buy in their brother and some cousin and everybody else...(indisc.)

UNIDENTIFIED SPEAKER: I think you could prohibit...

UNIDENTIFIED SPEAKER: But there again, John, the thing is, the irony of all this is this whole thing was engendered as much as anything by the situation in Bristol Bay. Bristol Bay is the only place and they say, Hey, we don't need it. Think about it..I know that this, plus the sliding gear scale, plus (indisc.)...shoot, we can cut that thing down in no time at all.

UNIDENTIFIED SPEAKER: Right again I was.

UNIDENTIFIED SPEAKER: John, come back.

UNIDENTIFIED SPEAKER: I was hesitant about even bringing up that contest because I thought you'd go so far down the pipe (indisc.).

HAMMOND: I think they're dedicated to something much more complex though than this. You'd have a hard time selling it. But I thought that everybody's gonna have to wrestle with all these things and bog down and bang their heads against walls and go up blind alleys and maybe at that time there would be some interest (indisc.)

UNIDENTIFIED SPEAKER: Get desperate enough to accept the "Hammond" idea.

UNIDENTIFIED SPEAKER: You'd be interested in also...