SCOMM

#29:4

STATE OF ALASKA

OFFICE OF THE GOVERNOR

JAY S. HAMMOND
GOVERNOR

DIVISION OF POLICY DEVELOPMENT AND PLANNING

POUCH AD–JUNEAU 99811
PHONE 465-3577

November 9, 1979

The Honorable Fred Zharoff
Alaska State Representative
Alaska State Legislature
Box 405
Kodiak, Alaska 99615

Subject: Bering Sea/Aleutian Islands Fisheries Management Plan
State I.D. No. 79110801ES

Review: A-95 Review and ACMP Consis ency Determination

Dear Mr. Zharoff:

The subject project has been submitted to the State Clearinghouse for an U.S. Office of Management and Budget Circular No. A-95 Review and a Alaska Coastal Management Program (ACMP) Consistency Determination.

The A-95 review is advisory in nature, allowing comment on proposed federal action. The ACMP Consistency Determination is a specific state decision on consistency of a proposed federal action with the approved ACMP. Comments should be made concerning ACMP Standards your agency is responsible for interpreting. If your agency determines there are inconsistencies between this project and the ACMP Standards, identify the standard(s) involved and list any project changes which would make the project consistent. All comments to the Clearinghouse, including any serious objections to the proposal not based on interpretation of the ACMP Standards, should be submitted as an A-95 comment.

DPDP will issue two review conclusions dependent upon the appropriate review criteria and the specific comments received.

The State Clearinghouse has assigned State I.D. No. 79110801ES to this project. Please use this number in all future correspondence concerning this project.

Your comments should reach this office by December 17, 1979.

Sincerely,

Jerry L. Madden

Jerry L. Madden
State-Federal Coordinator

National Marine Fisheries Service
P.O. Box 1668
Juneau, Alaska 99802

Ms. Frances Ulmer
Director, Division of Policy Development
and Planning
Office of the Governor
Pouch AP
Juneau, Alaska 99811

Dear Ms. Ulmer:

The National Marine Fisheries Service (NMFS) of the National Oceanic and Atmospheric Administration (NOAA), United States Department of Commerce, has given preliminary approval to a fishery management plan for the groundfish fishery in the Bering Sea and Aleutian Islands area ("the Plan"). NMFS has published the Plan and proposed implementing regulations for public comment. The Plan was adopted by the North Pacific Fishery Management Council for NMFS approval and implemention pursuant to the Fishery Conservation and Management Act of 1976, Pub. L. 94-265.

If finally approved and implemented, the Plan would govern United States and foreign fishing operations for all finfish except salmon, steelhead, herring, and Pacific halibut, and for all marine invertebrates except Tanner crab, king crab, horsehair crab, lyre crab, Dungeness crab, shrimp, snails, coral, and clams, in the fishery conservation zone of the Bering Sea and of the North Pacific Ocean adjacent to the Aleutian Islands and west of 170° West longitude. The "fishery conservation zone" includes all areas seaward of the three-mile limit of the territorial sea out to a line each point of which is two hundred miles from the baseline from which the territorial sea is measured or to the 1867 Convention line separating Alaska and the U.S.S.R. A copy of the Plan, and of the proposed final environmental impact statement thereon, is enclosed.

Approval and implementation of the Plan would be undertaken by NMFS in a manner that is consistent, to the maximum extent practicable, with the Alaska Coastal Management Program (ACMP), as required by section 307(c)(1) of the Coastal Zone Management Act of 1972, Pub. L. 92-583.

Approval and implementation of the Plan may have two primary direct effects on the Alaska coastal zone:

(1) By affecting the supply and distribution of living marine resources in the area beyond the three mile limit, it may affect the supply of such resources within three miles, and also any species of marine life within three miles that may be dependent on or depended upon by these resources.

(2) By encouraging the development of a United States fishing industry based in Alaska, incorporating both harvesting and processing capacity, the Plan may induce new development in coastal communities.

The ACMP standards most relevant to approval and implementation of the Plan are those on coastal development (6 A.A.C. 80.040); fish and seafood processing (6 A.A.C. 80.090); subsistence (6 A.A.C. 80.120); habitats, particularly offshore areas (6 A.A.C. 80.130(b) and (c)(1)); and air, land, and water quality (6 A.A.C. 80.140). Approval and implementation of the Plan will either not interfere with or affirmatively encourage the implementation of each of these standards.

As was just noted, the Plan's potential encouragement of a domestic bottomfishing industry may induce substantial coastal development which will be subject to the coastal development, fish and seafood processing, habitat, and air and water quality standards of the ACMP. Nothing in the Plan purports to regulate such development in a way that would be inconsistent with those standards, since such regulation is beyond the scope of the Plan. Thus, the Plan's approval and implementation will not affect the applicability of these ACMP standards to developments resulting from its encouragement of domestic bottomfish harvesting and processing efforts.

The catch levels provided for in the Plan are intended either to maintain plentiful stocks of groundfish at a level that will produce the maximum sustainable yield, or to restore less healthy stocks to that level. The Plan thus affirmatively fosters the implementation of the ACMP standards requiring that habitats

> "be managed so as to maintain or enhance the biological, physical, and chemical characteristics of the habitat which contribute to its capacity to support living resources . . . ,"

and that

> "offshore areas must be managed as a fisheries conservation zone so as to maintain or enhance the state's sport, commercial, and subsistence fishery . . . "

6 A.A.C. 80.130(b), (c)(1).

There are no significant subsistence fisheries for the species regulated under the Plan. A preliminary plan covering herring, which will be succeeded next year by a permanent herring plan, limits the incidental catch of herring that may be taken by foreign participants in the groundfish fishery. This assures continued subsistence usage of the herring resource in accordance with the subsistence standard of 6 A.A.C. 80.120.

As you are aware, no district coastal management program has yet been developed or approved for any community adjacent to the area covered by the Plan. The district programs for Dutch Harbor and the Kodiak Island Borough can be expected to have the greatest relevance to the Plan's future implementation and revision.

Pat Travers can provide you with any further information you may need on the Plan. We hope that the consistency of future plans with the ACMP will be determined before their approval by the Council under a memorandum of understanding between the Council and the Office of Coastal Management of the Division of Policy Development and Planning that is currently being developed.

Sincerely,

for Harry L. Rietze
Director, Alaska Region

State agencies requiring further information on the Plan may contact Pat Travers of the NOAA Office of General Counsel at 586-7414.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

MEMORANDUM State of Alaska

TO: Charles R. Webber
Commissioner

DATE: March 10, 1980

FILE NO:

TELEPHONE NO:

FROM: Julius J. Brecht, Director
Division of Banking & Securities

SUBJECT: Summary of Foreign Investment in U.S. Business Seminar

As you requested, this memorandum summarizes the American Law Institute - American Bar Association (ALI-APA) course of study in foreign investment in United States business. The seminar was held on March 7-8, 1980 in Philadelphia, Pennsylvania.

There were a number of speakers who participated in the seminar program.* These people came from law firms many of whose clients were involved in foreign investment. In addition, there were two individuals on the panel who provide consulting services for foreign investors contemplating entrance into the United States market. I found the statements by these two individuals, Messrs. Robert M. Gottschalk and Charles A. Fagan, of particular interest to this department in its operation of the two foreign offices in Tokyo and Copenhagen.

In very general terms, the seminiar covered the following topics.

I. BACKGROUND AS TO THE FOREIGN INVESTOR. Charles Fagan gave this presentation. The primary concerns here were what is the general makeup of the typical foreign investor, what are some of the misconceptions that that person might have concerning the United States, what are some of the language barrier problems that might exist and the need for sensitivity on the part of the person offering advice to that foreign investor. It was pointed out that these foreign investors come from basically three areas: (i) established international or multinational public companies, (ii) private or family companies, and (iii) private groups or individuals wishing to purchase an existing entity. It was noted that typically the sophisticated international company seeks a new market for existing products. The company desires improved market shares which can be achieved through local production. Perceived benefits from U.S. production facilities include: (i) greater appreciation of U.S. regional market and customer desires; (ii) knowledge of U.S. manufacturing techniques; (iii) exposure to U.S. management methods, and (iv) availability of

*Anthony L. Bartolini, Peter A. Bator, Serge R. Bellanger, Stanhope S. Browne, Charles A. Fagan III, Robert M. Gottschalk, Robert A. Hendrickson, Douglas E. Rosenthal, and Frank Wille.

export credits for further expansion into other markets. It was noted that the American lawyer plays a very important role in properly advising the prospective foreign investor to make sure that he or she thoroughly understands the complexities of the American market.

II. SPECIAL U.S. RULES DIRECTLY AFFECTING FOREIGN INVESTMENT. Stanhope S. Browne made this presentation. These rules include the International Investment Survey Act of 1976. The purpose of this act is to provide clear and unambiguous authority for the president of the United States to collect information on international investment and to provide analyses of such information to the Congress and executive agencies and the general public. Some amount of time was spent on outlining the complexities of that act.

The Agricultural Foreign Investment Disclosure of 1978 was also described. That act covers any foreign person who acquires or transfers any interest other than a security interest in agriculture and after February 2, 1979 for any foreign person who held such interest on February 1, 1979. The Department of Agriculture has adopted regulations in this area and is responsible for administering the act. It was the general consensus of the panel members that it is unclear whether that department will have sufficient personnel to properly handle the information that will be filed pursuant to that act.

The disclosure statutes of various states were discussed. It was stated that as of September 1, 1979 the following 30 states had no significant restrictions on real property ownership by foreign individuals: Alabama, Alaska, Arkansas, California, Colorado, Deleware, Florida, Georgia, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Montana, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington and West Virginia. As of that same date, the following 20 states had various types of restrictions on ownership of real property by foreign individuals: Arizona, Connecticut, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, Oklahoma, Oregon, Pennsylvania, South Carolina, West Virginia, Wisconsin and Wyoming. Furthermore, as of that date, the following 13 states had restrictions on ownership of real property by corporations whether domestic or foreign: Arizona, Kansas, Kentucky, Minnesota, Missouri, Nebraska,

Oklahoma, Oregon, North Dakota, South Dakota, Texas, West Virginia and Wisconsin. As of September 1, 1979, three states had legislation specifically restricting the ownership of farm land by foreigners: Iowa, Missouri and Minnesota.

The Iowa statute appears to be the most strict. It requires that no nonresident alien "foreign business" (any business in which a majority interest is owned directly or indirectly by nonresident aliens) or foreign government may acquire agricultural land. Foreign ownership must be registered with Iowa's Secretary of State and investors must file periodic reports before March 31 of each year. Land acquired in violation of this act escheats to the state. It should be noted that Alaska has a similar registration statute but does not provide a penalty of escheatment for failure to disclose the information.

In September of 1979, the Attorney General of Oklahoma published an opinion that Oklahoma's 1907 Constitution bars an alien corporation from owning property in that state. Litigation is in progress in these matters in Oklahoma.

Other federal laws in some way restricting the foreign ownership of land include the following: The 1934 Federal Communications Act, the Communications Satellite Act of 1962 and, various state regulations including limitations on direct entry by foreign telephone or telegram companies (Alaska) and, similarly, limitations on indirect entry (Georgia), the Federal Power Act of 1976, the Atomic Energy Act of 1954, the Natural Gas Act of 1976, the Mineral Leasing Act of 1920 and the Mineral Lands Leasing Act of 1976, the Mining of Mineral Deposits Act of 1976, the Outer Continental Shelf Lands Act of 1976, the Geothermal Steam Act, the Federal Aviation Act of 1958, the Coastal and Inland Water Trade and several others.

III. GENERAL COUNSELING AS TO INVESTMENT. Mr. Robert Gottschalk gave this presentation. He noted that state development agencies attempt to promote economic development within their states through the encouragement of domestic and foreign investment and export and travel promotion. Many such agencies maintain special sections for promotion and the encouragement of foreign investment, as well as offices in foreign countries. In fact, he noted that there were approximately 30 states that had such offices in foreign countries and that, furthermore, certain regions of the United States

have offices in Europe. He stated that the following services for the encouragement of foreign investment are generally provided by these agencies:

(i) location studies which establish the cost and availability of land, building, and construction;

(ii) information regarding availability of and costs for energy and labor;

(iii) information regarding transportation facilities; (iv) assistance in dealing with other government agencies, (v) assistance in securing job training funds (certified firms may be reimbursed for wages and materials used in a job training program);

(vi) information regarding tax rates, tax incentives and tax comparisons with other states, state tax incentives can include:

(A) abatements of or credits against corporate income taxes;

(B) reductions by localities of real estate taxes;

(C) investment credits;

(D) accelerated depreciation for certain types of equipment and facilities

(E) special formulas to reduce the taxable base of a domestic manufacturer whose out of state sales exceed those within the state;

(F) reduction in or exemption from state or local advalorem taxes on manufacturers personal property including machinery, equipment and inventory;

(G) state treatment of net operating laws on the same basis as IRS regulations;

(H) reduction in or exemption from state and local sales taxes on manufacturing fuels, utilities, nonreturnable packaging devices and equipment and machinery;

(I) job incentive programs which provide certified firms with franchise tax credit of up to 100% for a period of years (as many as ten in some areas);

(vii) information regarding and assistance in applying for state financial incentive programs including the method of financing, advantages to the applicant, and procedural manners;

(viii) maintaining foreign offices which are staffed with a small number of multilingual personnel whose job is to identify potential investors.

Mr. Gottschalk went into the operational problems, banking arrangements for currency and exchange controls, problems of confidentiality, and immigration laws affecting activities by foreign individuals.

Mr. Serge Bellanger also offered comments on general counseling of foreign investors from his perspective as a European banker. Much of what he said reinforced Mr. Gottschalk's position that it is more important for the American attorney or consultant to be sensitive to the needs of the prospective foreign investor. Mere fluency in the foreign language is not sufficient to properly advise that prospective investor.

IV. COUNSELING THE FOREIGN INVESTOR ON U.S. ANTITRUST LAW. Mr. Douglas Rosenthal, Chief, Foreign Commerce Section, Antitrust Division, U.S. Department of Justice gave a lecture on the counseling of the foreign investor on U.S. antitrust laws. He stated that there are basically four statutes applicable in this area: Section 7 of the Clayton Act (dealing with mergers), Section 1 of the Sherman Act (dealing with anticompetitive agreements), Section 2 of the Sherman Act (dealing with monopoly and monopolizing conduct), and the Robertson-Pattman Act (dealing with price discrimination). It was pointed out that the monopolistic conduct may be an area of unfamiliarity to the foreign investor, e.g., European investors are more familiar with Sections 81 and 86 of the Rome Treaty which has been adopted by common market countries. It was advised that expert antitrust counsel be retained to prevent any possible liability for triple damages as provided in the various acts. Special note was made of the 1968 Department of Justice Merger Guidelines in this area. It was noted that an antitrust action may be brought by the Department of Justice, the Federal Trade Commission, a state, or a private party.

V. SECURITIES LAW ASPECTS. Mr. Peter Bator discussed the securities law aspects of foreign investment in the United States. This discussion included the various means of acquisition including cash acquisitions, tender offers, partial acquisitions, margin rules, and acquisitions using securities. Mr. Bator noted that acquisitions using securities is a method which is rarely used at this time because of the many difficulties associated with such international transactions, but he expected a substantial increase in this activity in the future.

VI. TAX QUESTIONS. On the second day of the seminar, Mr. Robert A. Hendrickson discussed the counseling of individual investors from the aspect of the use of trusts and stop gap wills. In addition, Mr. Anthony L. Bartolini outlined various tax considerations both from the standpoint of U.S. law and tax treaties that might be of interest to the foreign investor. He approached the issues of

(i) how the United States taxes foreign corporations and partnerships,

(ii) the general rules of taxation used in the Internal Revenue Code and regulations adopted under it with special emphasis on the "effectively connected" concept and tax withholding,

(iii) how tax treaties change some of the above rules,

(vi) state and local taxation,

(v) special tax planning techniques,

(vi) forms of business,

(vii) structuring of a transaction, and

(viii) income, state and gift tax problems of the foreign individual.

While at the seminar I took the opportunity to discuss the issue of "control" of a subsidiary corporation with Peter Bator. Both Messrs. Fagan and Gottschalk expressed interest in knowing more about the state's efforts and approach in maintaining foreign offices in Tokyo and Copenhagen. I have their addresses and telephone numbers if you wish to pursue this matter.

This summary of the 1½ day seminar on foreign investment has been necessarily brief. I would be happy to discuss it in more detail at your convenience.

JJB/s121K

[redacted]
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM **March 12, 1980**

TO: Representative Fred Zharoff

FROM: Peter B. Froehlich

RE: HB 767 (Disclosure of Alien Affiliates in Alaska Businesses)
Research Request No. 96

This memorandum is in response to your recent request that this agency perform a sectional analysis of HB 767 concerning disclosure of alien affilates in Alaska businesses. You also requested a comparison of HB 767 and SB 112 concerning corporate dissolution, reinstatement and fees. That comparative analysis will be provided next week as previously arranged.

In summary, it appears that this bill would improve the completeness and accuracy of the State's information concerning alien affiliates in Alaska business. It would also make other changes in the Alaska Business Corporation Act, which have no apparent specific connection to alien affiliates in Alaska business. In fact only 7 of the 16 substantive sections of the bill appear to have a specific application on alien affiliates, while the remaining 9 sections apply to all corporations equally. Therefore, it may be desirable to broaden the scope of the title of the bill to more clearly comply with the requirement of Article II, § 13 of the Alaska Constitution that the subject of each bill be expressed in its title.

HB 767 would amend 13 sections or subsections of AS 10.05. the Alaska Business Corporation Act, and would add five new sections or subsections. The existing provisions of the Act dealing with alien affiliates were enacted in 1975.

Section 1 of the bill would amend AS 10.05.250 in three respects. First, it would change the last word in the current title of the section, Reorganization; Disclosure of Alien Interests, to "Affiliates". Second, it would substitute the words "alien affiliates" for the current descriptive language "affiliate which is a nonresident alien or corporation whose place of business is outside the U.S." The word "alien" would be defined by § 16 of the bill which would add a new AS 10.05.825(22). Finally, § 1 of the bill would add a third category of information to the two categories now required to be filed before a corporate reorganization (i.e., identities of alien affiliates of the surviving corporation and percent of shares controlled by each). The new third category of information required would be a description of the nature of the affiliation between the surviving corporaton and an alien affiliate.

Sections 2 and 3 of the bill would amend AS 10.05.225(a) which lists the requirements to be included in articles of incorporation by all corporations. Section 2 would add to AS 10.05.255(a)(3) the requirement that articles include an activity code number from the code established under new AS 10.05.703 which would be enacted by § 10 of the bill. This new numerical code would be adopted by the commissioners of Revenue and of Commerce and Economic Development and would be a numerical list of business activities. Section 3 of the bill would change the language of the requirement of AS 10.05.255(a)(13) that articles include the identity of any alien affiliate and add a requirement of a description of the nature of the affiliation. The new language corresponds to that of AS 10.05.250 as it would be amended by § 1 of the bill.

Sections 4 and 5 of the bill would amend AS 10.05.519(a) which lists the circumstances under which the Commissioner of Commerce and Economic Development may dissolve a corporation involuntarily. Section 4 would shorten the allowable delinquency period for annual reports, license fees, and penalties from 6 months to 3 months. (It was shortened from 12 to 6 months in 1976.) Section 5 of the bill would add material misrepresentation as cause for involuntary dissolution.

Sections 6 and 7 of the bill would amend AS 10.05.615 which lists the required contents of applications by foreign corporations for certificates of authority to transact business in the state. [Foreign corporations, under current AS 10.05.825(4), are corporations for profit organized under any laws other than those of Alaska.] Section 6 would add to AS 10.05.615(5) the requirement that applications include an activity code number from the code established under new AS 10.05.703 (§ 10 of the bill). The language of this change is identical to that of § 2 of the bill concerning articles of incorporation. Section 7 of the bill would change the language of AS 10.05.615(12) which requires applications for certificates to include the identity of alien affiliates to correspond with the changes §§ 1 and 3 of the bill would make to AS 10.05.250 and 255(a)(13), respectively. Section 7 would also add the requirement of a description of the nature of the alien's affiliation just as would §§ 1 and 3.

Sections 8 and 9 of the bill would amend AS 10.05.702 concerning annual reports. Section 8 would amend AS 10.05.702(3) to add the requirement that annual reports include an activity identification code under new AS 10.05.703 (§ 10 of the bill). This change corresponds to §§ 2 and 6 of the bill concerning artiles of incorporation and applications for certificates of authority, respectively. Section 9 of the bill would change the language of AS 10.05.703(8) which requires annual reports to include the identity of alien affiliates to correspond with the changes of §§ 1, 3 and 7 make to other reporting requirements including the addition of a requirement of a description of the nature of the affiliation.

Section 10 of the bill would add two new sections to the Act. New AS 10.05.700 would require any domestic (Alaska) or foreign (non-Alaska) corporation which publishes a stockholder report to submit it with its annual report to the commissioner. New AS 10.05.703 would require the commissioners of Revenue and of Commerce and Economic Development to adopt a code list of business activities to be followed by corporations in complying with the reporting requirements added by § 2 of the bill re articles of incorporation [AS 10.05.255(a)(3)], by § 6 re applications for certificates of authority [AS 10.05.615(5)], and by § 8 re annual reports [AS 10.05.702(3)].

Section 11 of the bill would amend AS 10.05.771 to provide that the penalty for not timely filing an annual report is 10% of the franchise tax for each month of violation rather than the single flat 10% penalty provided in current statute.

Sections 12 and 13 of the bill would amend AS 10.05.783 and 786 to delete the $500 maximum fine for failure to answer interrogatories promptly and for signing required documents knowing them to be materially false. Under AS 11.81.250(c) of the new criminal code, the deletion of the penalty would result in the categorization of this offense as a Class A misdemeanor under the new criminal code. Under AS 12.55.035(c) the new maximum fine would therefore be $100,000.

Sections 14-16 of the bill amend and add to the definitions of AS 10.05.825. Section 14 would broadly rewrite the definition of "affiliate" in AS 10.05.825(18). Section 15 would expand the definition of "person' in AS 10.05.825(20), by adding joint venture, company, firms, society and estate to the list of meanings. Section 16 would add two new definitions to AS 10.05.825, "alien" and "state."

Finally, Section 17 of the bill would give it a January 1, 1981 effective date.

Please contact us if we may provide further assistance or information concerning HB 767.

PBF/dp

House of Representatives

POUCH V
JUNEAU, ALASKA 99811
OFFICIAL BUSINESS

Mr. Ronald O. Skoog
Commissioner
Alaska Department
of Fish & Game
Subport Building
Juneau, Alaska

Sept. 27, 1979

Dear Commissioner Skoog:

As chairman of the House's Interim Committee on Foreign Investment, I ask your help and cooperation in answering a question of considerable interest to state government and the public.

As I know you are aware, the last 10 years have seen a steady growth of Japanese investment in the Alaska seafood processing industry. Generally we are aware of those companies that are foreign-owned, but the extent of their participation in the industry has never been documented. To do that, it is necessary to work with production figures, and that is only possible with the cooperation of the Department of Fish & Game.

We have two objectives in applying this information: To calculate the percentage of total production produced by Japanese-owned companies, and to look for production trends peculiar to the same group of firms. Since we require only aggregated production figures, and not those of any individual company, this request should not pose a problem with respect to confidentiality.

The five groups of seafood processors which accompany this letter were drawn from the list of firms that submitted the mandatory annual production reports for 1977. Specifically, here is what we ask:

For each of the five groupings (Canadian- and U.S.-invested firms; individual fish buyers/processors; firms with unidentified ownership; companies with at least 25 percent Japanese ownership; and companies with less than 25 percent Japanese ownership), we would like the 1977 aggregate, statewide production divided by species and process/product, in terms of net weight and value.

If your department could provide this data by November 1, it would aid substantially this committee's timely effort to examine the issue of foreign investment in fisheries, and the state's monitoring of such investment.

If procedural questions regarding this request should arise, please contact Mr. Pat Dougherty (465-3789), who is in Juneau working on this project.

If you would like to discuss further the committee's efforts, please feel free to contact me (486-5254 at home; 486-3131 at work; Box 405, Kodiak 99615).

Sincerely,

Fred F. Zharoff, Chairman,
Foreign Investment Committee

W.P. Dougherty,
for the Chairman

cc: Rep. Bill Miles
Rep. Richard Eliason
Rep. Nels A. Anderson Jr.
Speaker Terry Gardiner
Sen. George H. Hohman

EXAMPLE

PRODUCTION FOR GROUP 1

Species/process	Net weight	Value
Red salmon/frozen	100,00 lbs.	$157,000
King salmon/canned	20,000 lbs.	$94,000
Herring/salted roe on kelp	14,000	$180,000

PRODUCTION FOR GROUP 2

Species/process	Net weight	Value
Red salmon/frozen	50,000	$85,000
King salmon/canned	40,000	$190,000
Herring/salted roe on kelp	28,000	$360,000

#1

FIRMS WITH AT LEAST 25% JAPANESE OWNERSHIP

1. Alaska Pacific Seafoods
2. Alaskan Marine Products Inc.
3. B&B Fisheries Inc.
4. Bering Sea Fisheries Inc.
5. Cordova Bay Fisheries Inc.
6. Dutch Harbor Seafoods Co. Inc.
7. Harbor Seafoods Co. Inc.
8. Juneau Cold Storage
9. Kodiak King Crab Inc.
10. Mokuhana Fisheries
11. Morpac Inc.
12. North Pacific Processors Inc.
13. Olympic Fish Products Inc.
14. Orca-Pacific Packing Co. Inc.
15. S.A. Packers Inc.
16. Sagaya Alaska Seafoods Ltd.
17. Sitka Sound Seafoods Inc.
18. Togiak Fisheries Inc.
19. Universal Seafoods Ltd.
20. Vita Foods
21. Whitney-Fidalgo Seafoods Inc.

#2

FIRMS WITH LESS THAN 25% JAPANESE OWNERSHIP

1. Columbia Wards
2. Craig Fisheries Inc.
3. Excursion Inlet Packing Co. Inc.
4. Haines Packing Co. Inc.
5. E.C. Phillips & Son Inc.
6. R-Lee Seafoods
7. Red Salmon Co.
8. Wards Cove Packing

#3

FIRMS WITH UNIDENTIFIED OWNERSHIP

1. **ATCO Seafoods Inc.**
2. **Alaska Bud Co.**
3. **Alaska Far East Corp.**
4. **Alaska Scallop Fleet Inc.**
5. **Alaska Star Inc.**
6. **Alaskan Glacier Seafood Co.**
7. **All Alaskan Seafood Inc.**
8. **Al-Lous Fish**
9. **Americo Ltd.**
10. Bergit Fishing Co.
11. Blakes Canning
12. Christensen & Sons
13. Clipperton
14. Cook Inlet Processing Co. Inc. (Cook Inlet Packing)
15. Dan's Cold Storage
16. Deep Sea Inc.
17. Dry Bay Fish Co.
18. Eagle General Store
19. Ed's Kasilof Seafoods
20. Engstrom Brothers Co. Inc.
21. Fairmount Islands Seafood
22. Glacier Packing Co.
23. Halibut Producers Cooperative Inc.
24. Hanson Trading Co.
25. Happy Clam Seafood

26. Johnson Fish Co.
27. Keener Packing Co. Inc.
28. Martin's Sea
29. Northern Peninsula Fisheries
30. Northwest Pacific Trading
31. Nuka Point Fisheries
32. Odiak Smokeries
33. Pelican Cold Storage Inc.
34. Peter Merry Guide Service
35. Prince Rupert
36. Reliance Shrimp Co.
37. Salmon Products Inc.
38. Sea Seafood Processors
39. Surfline Seafood
40. Swiftsure Alaska Inc.
41. Taylor Aquatic Enterprises
42. Thorne Smith Co.
43. Wally's Fish Wagon

#4

U.S.- AND CANDIAN-INVESTED FIRMS

1. Akers & Co. Inc.
2. Alakanuk Native Corp.
3. Alaska Aquatic Dive Center Inc.
4. Alaska Packers Association Inc.
5. Alaska Sea Products Inc.
6. Alaska-Shell Inc.
7. Alaskan Gourmet Inc.
8. Annette Island Packing Co.
9. Azachorok Inc.
10. Bayside Cold Storage Inc.
11. Bumble Bee Seafoods Inc.
12. Cossack Caviar Inc.
13. Dignon Co. Inc.
14. East Point Seafood Co.
15. Egegik Packing Co. Inc.
16. Elim Fish Processing Cooperative
17. Foodland Inc.
18. Golovin Fish Processing Cooperative
19. Icicle Seafoods Inc.
20. Interior Enterprises & Fisheries Inc.
21. Kachemak Seafoods Inc.
22. Kemp & Paulucci Seafoods Inc.
23. Kenai Salmon Packing Co. Inc. (Kenai Packers)
24. Kotzebue Sound Area Fishery Cooperative
25. Kootznoowoo Inc.

26. M.S.P. Corp.
27. North Coast Seafood Export Inc. (North Coast Seafoods)
28. Osmar's Ocean Specialties Inc.
29. Pacific Pearl Seafoods
30. Pan-Alaska Fisheries Inc.
31. Peter Pan Seafoods Inc.
32. Petersburg Processors Inc.
33. Port West Inc.
34. Queen Fisheries Inc.
35. Salamatof Seafoods Inc.
36. San Juan Seafoods
37. Saratoga Fish/Tony B. Western
38. Terrell D. Schenk & Associates Inc.
39. Sea Alaska Products Inc.
40. Sea Nik Foods
41. Seward Fisheries
42. Seward Marine Services Inc.
43. Southeast Seafood Processors Inc.
44. St. Elias Seafoods
45. Thompson Fish Co.
46. Trident Seafoods Corp.
47. Ursin Seafoods Inc.
48. U.S. Mercantile
49. Wesley Brand Shrimp & Prawns
50. Yakutat Fishermen's Cooperative
51. Yugtak Fish Co. Inc.
52. Yukon Delta Fish Marketing Cooperative

INDIVIDUAL FISH PROCESSORS/BUYERS

1. Anderson, Knute
2. Attla, George & Karen
3. Baker, William C.
4. Ball, Gerald
5. Bishop, Richard
6. Bryant, Everett E.
7. Burkholder, Bernie
8. Carlson, Rudolph
9. Charles, James
10. Crow, J.B.
11. Curry, Adolph
12. Daniels, R.G.
13. Erkins, Gregory
14. Foster, Bruce
15. Franzen, Francis
16. Gilbert, Marvin
17. Griechen, Gust
18. Grunert, Mike
19. Hopfinger, James
20. Huntress, John
21. Ingman, Maurice
22. Johansen, Martin
23. Leask, Henry
24. Lewis, Joe
25. Lloyd, R.
26. Maness, Betty
27. March, [redacted] Frederick

28. Matter, Joseph & Dolores
29. McLaughlin, William
30. Nick, Aleck
31. Painter, Larry
32. Parker, Eric V.
33. Pedersen, Hans
34. Pellett, Warren
35. Pletnikoff, Robert
36. Putman, Joe
37. Rupprecht, Reinhard
38. Sampson, Emma
39. [redacted] Shapley, George
40. Shaw, E.L. & Iona May
41. Simpson, Donval
42. Taylor, Connie
43. Temple, Becky
44. Thiessen, Jeff
45. Trueman, Slim
46. Turner, Harry
47. Wagner, Louie
48. Wallace, R.D.
49. Wilson, Walter

11/15/79

Pat -

Attached is memo to fish processing permit work group which defines problems currently existing with fish ticket control - it's not written strictly from the standpoint of problems with F.T. system, but it does expose the major problems + gives background philosophy, etc., of F.T. system. I think you will find it informative.

I'm sorry I didn't get this off sooner, but I've been busier than your basic one armed paper-hanger. The judges are starting to sign orders on the Bristol Bay Crabs Action suit, fishermen vs. processors, + all hell is beginning to break loose for us again! C'est la guerre.

I hope you're working on my letter, to change the subject. I've got the whole ball of wax in, except I don't have Wanie's letter either, so you're not alone. A feeling of increasing pessimism is descending on that prospect - rampant cronyism is so obvious in many legislative affairs. No matter, it was good practice. Look forward to hearing from you -

Lore Svensson

TO: Fish Processing Permits Work Group
(La Pierre, Anderson, Smathers, Angst
Kirk, Kubley, Stewart, Paulick)

DATE: November 9, 1979

FILE NO:

TELEPHONE NO: 465-4150

FROM: Lori J. Svensson LJS
Computer Services
Division of Commercial Fisheries
Department of Fish and Game

SUBJECT: ADF&G Background Information on Processing/Reporting Requirements.

At this writing, an entity seeking to become properly licensed in some type of fisheries business in Alaska may have to interact with as many as nine state agencies, six federal agencies, and various local government offices. Some of these agencies may issue as many as five different permits/licenses for distinct aspects of a given operation. Obviously this situation creates problems, both for industry participants and administering agencies. As I see it, this work group is meeting for three purposes.

1) To compile a comprehensive directory of fisheries business permits, to be made available to potential participants.

2) To arrive at short-term solutions for interagency communication problems.

3) To suggest long-term solutions to existing statutory and regulatory inadequacies in this realm.

In our initial meeting, and in earlier discussions with different group members, we have always come to the conclusion that Department of Fish and Game (ADF&G) forms must be used as control mechanisms in any attempt to coordinate the permit process. ADF&G forms take precedence mainly because the industry tends to work more closely with us than with other agencies. Department field personnel have done a good job of keeping commercial operators informed of ADF&G reporting requirements, so everyone knows that they must complete fish tickets, and that they must file an Intent to Operate.

In many cases that is as far as an operator will go initially, dependent upon the extent to which ADF&G field personnel are cognizant of other agencies' requirements. There is a good chance that many are not. I have made some attempts to distribute what information I had to the areas, but I have never had time to follow up. Whether or not this group has produced a workable directory, I shall see to it that the information is dispersed sometime this winter.

As you know, there is no filing deadline for the Intent to Operate. An operator may file the Intent, receive fish tickets, and commence operations on the same day; filing can occur through any field office or the central office in Juneau, and all offices distribute fish tickets. This state of

affairs can be changed only throught adoption of new regulations by the Board of Fisheries. I submitted a proposal in September which would have created a filing deadline of at least 30 days prior to operation. It was deleted from the final proposals by ADF&G area and regional supervisors. Their reasons for the deletion should be clarified by the following.

The primary purpose of the fish ticket is to collect data on Alaskan fisheries catch. The Intent to Operate was designed to give the Department a control mechanism for fish ticket distribution, to collect data on the nature of each operation, and to give each area biologist information on companies which anticipate operating in his area. There are no filing fees associated with the Intent. It is used strictly to gather information, and to enable ADF&G to collect annual operation summaries.

The original purpose of collecting fish ticket data was to assist biologists in making management decisions for the protection of the fishery resource. Many other uses have since been found for the fish ticket, but it is essential to remember that it is first and foremost a device to collect information. This was the basic rationale for making it so easy to file the Intent and to acquire fish tickets.

ADF&G needs the data, and it is feared that significant loss of fisheries data would ensue if rigid restrictions were applied to fish ticket distribution. This is a legitimate fear, because there have been occasions when a negligent fish buyer has run out of tickets, but has continued buying fish. If this is detected the buyer can be prosecuted and the data reconstructed, but any attempt of this nature is bound to result in error. Most fishermen are aware that fish ticket documents are their means of protection in any possible court suit arising from broken agreements, bad checks, or any questions from Commercial Fisheries Entry Commission on the fisherman's use of his Entry Permit; for this reason a legal fisherman is unlikely to sell to a buyer without tickets. Fishermen who were not able to get permits after entry to some fisheries was limited may fish illegally and sell to buyers without tickets. Or a legal fisherman confronted with this situation and lacking any other buyer may decide to sell his fish anyway. A sufficient number of such occurrences could introduce significant error factors into fisheries catch data, which would affect various management decisions.

This brings into the discussion one of our major problems, the enforcement of our agencies' various regulations. ADF&G regulations are enforced by Public Safety, the Division of Fish and Wildlife Protection. They bear a double burden; first, of working with regulations which are often inadequate to deal with existing situations, and second, of having very few officers available for field duty. During each year's salmon fishery hundreds of commercial fishing/buying/processing operations involving at least 45,000 persons are occurring at widely separated points along Alaska's 34,000 miles of shoreline (figure includes islands). Major fisheries also occur many miles offshore, notably the Bering Sea crab fisheries and most bottom-fisheries. Under these circumstances many infractions of regulations must

be virtually undetectable. The problem of enforcement is subject to no easy solutions.

Several months ago representatives of the departments of Public Safety, Fish and Game, Revenue, and the Commercial Fisheries Entry Commission (CFEC) met to discuss problem areas with enforcement of fish ticket regulations. Mainly we discussed specific problems as mentioned above, and agreed to meet and discuss these problems further at some future date, pending the outcome of action on proposed regulatory and statutory changes.

Even if the currently proposed changes are enacted, major revisions must still occur if we hope to control the steps of the fisheries permit process through the Intent to Operate and the fish ticket. These are:

1) Adoption of deadlines for Intent filing.

2) Establishment of procedures for interagency permit/license certification.

3) Changes in fish ticket system;
   a) Centralize distribution from single office.
   b) Recall all tickets previously issued.
   c) Issue new tickets by serial number, restrict their use to company of original issue only establish enforceable penalties for violations of that restriction; establish procedures and forms for loss, destruction, water damage of unused tickets; fund position to control and monitor ticket numbers.
   d) Modify existing fish ticket computer processing system to accept serial numbers. (This may sound like an easy step, but you can believe me when I say that it is not easy at all--the necessary procedural changes in editing, program modification, file restructuring etc., would be a huge project, requiring lots of time and dollars.)

Another problem which I have not addressed, but which was considered briefly in our original meeting is the problem of the increasing development of new types of fisheries businesses. These new types, particularly the fisherman who markets his own catch in a raw state, need to be properly defined and fitted into the permit system.

With all of these obstacles in mind, I think we must proceed with the compilation of a fisheries business permit directory, and with the effort to coordinate interagency activities within the existing regulatory structure. I also hope that we can produce a concrete proposal for regulatory and statutory reforms within each concerned agency, which would allow for a cooperative effort in regulating the fisheries industry.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH V - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

May 4, 1979

MEMORANDUM

SUBJECT: Representative Miles' Washington Trip--(W.O.#7246)

TO: The Honorable Bill Miles
The Honorable Fred Zharoff

FROM: Elke Kallab
Policy Analyst

Below is a listing of several individuals which you might wish to meet with on your trip to Washington next week. If you would like us to set up the necessary appointments, we would be more than happy to do so.

Department of Commerce
Bureau of East-West Trade
Office of Foreign Investment in the United States

Tel: (202) 377-2568

Richard Meier, Deputy Director
Tom Strzeimienski, International Economist

I talked to both Mr. Meier and Tom Strzeimienski and they indicated that they would be happy to meet with you. They have done preliminary research into foreign investments in Alaska in fisheries, and have been in contact with John Williams, formerly of the Research Division, and Richard Eakins of the Division of Economic Enterprise in the Department of Commerce and Economic Development. They are familiar with Frank Orth's and Abby Gorum's work.

Department of Agriculture
Economic Statistics and Cooperative Service (ESCS)

Tel: (202) 447-9179

Gene Wunderlich, Sr. Economist (Foreign Investments)
Peter deBraal, Attorney

I talked to Mr. deBraal at length and believe that they might be very helpful regarding foreign investments in real estate. Under the International Investment Survey Act of 1976 ESCS was charged to conduct a

feasibility study to determine the methods of monitoring foreign investments in U.S. real estate. It was my impression from talking to Mr. deBraal that they have acquired a considerable amount of expertise in the area of foreign investments in real estate and that they would be pleased to share it with you. Mr. Wunderlich will be back on Monday, but will be out of town Tuesday and Wednesday. Mr. deBraal will be out of the office on Monday, but will be in the office for the rest of the week.

Department of Commerce
Bureau of Economic Analysis

Tel: (202) 523-0657

George Kruer, Chief of International Investment Division

I was unable to reach Mr. Kruer. The Bureau of Economic Analysis monitors all foreign investments in the United States. Their output is primarily statistical in nature, but you may decide that you would like to talk to Mr. Kruer nevertheless.

We were unable to reach some other contacts in the State Department and National Governor's Association which we believe could be of use to you, but would be very happy to pursue these as well as other sources of information if you wish. Please let us know how we can be of further assistance.

EK:dh

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

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REALTOR®

535 THIRD AVENUE PHONE 452-1247 FAIRBANKS, ALASKA 99701

March 19th, 1980

Lieutenant Governor Terry Miller
Pouch V
Juneau, Alaska 99811

Dear Terry:

I am enclosing an updated report regarding foreign investments on which I have written each of you in the past. In this issue we have more detailed facts and some words of warning.

As I have stated previously, the State of Alaska should be strongly considering some of the restrictions that other states are placing on foreign ownership, such as the State of Iowa. I realize that this does not seem to be a problem at this time, but now would be the time to do something about it rather than wait until it does become a major problem.

I would appreciate your thoughts on this matter.

Sincerely,

Vincent P. Guzzardi
Broker

VPG/slm
Enclosures

STATE OF ALASKA
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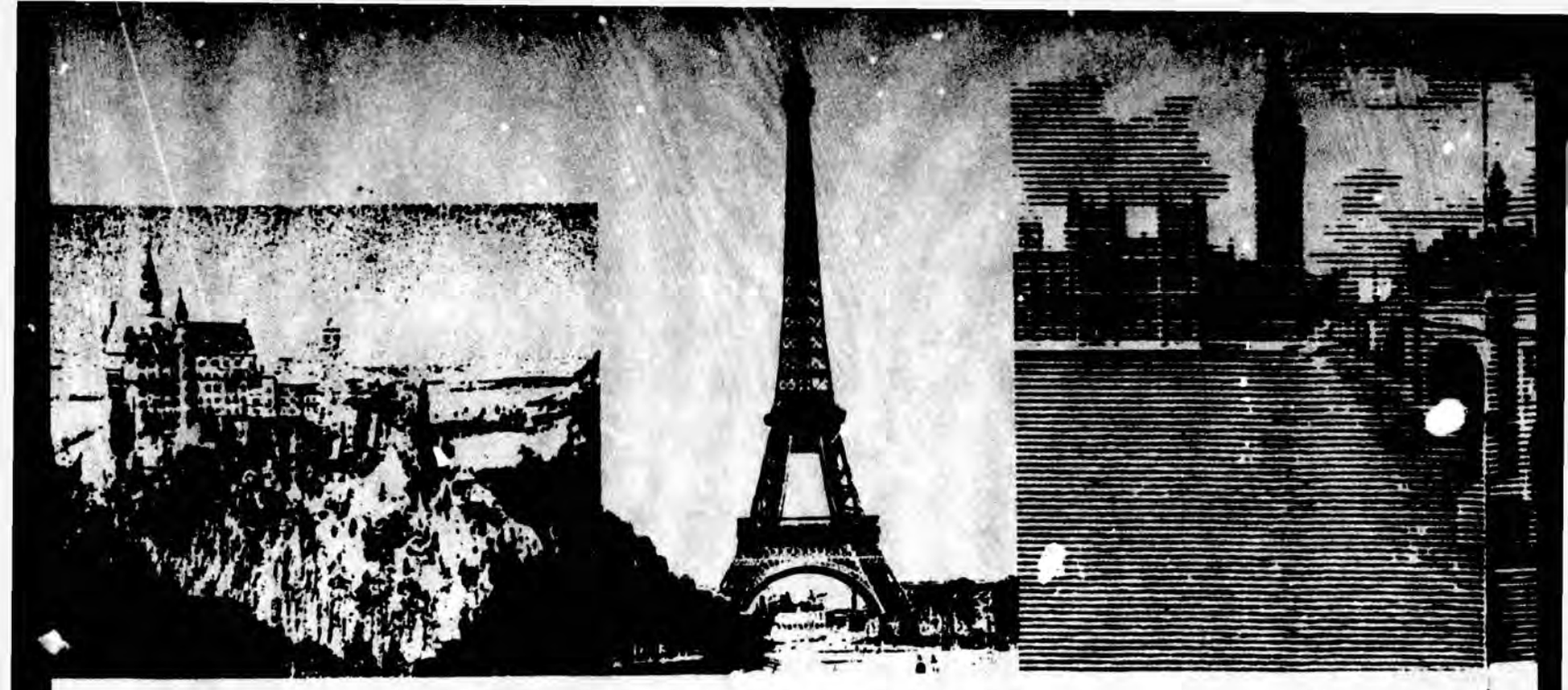
MAR 24 '80
LIEUTENANT GOVERNOR



Foreign Investment: Ta

How you view this complex issue depends on the reliability of your information and its effects on your economic condition.

Kenneth Harney
Washington, DC

Foreign investment capital is flowing into the United States in waves that grow larger every year—a fact that has a lot of Americans upset, and a lot of others pleased.

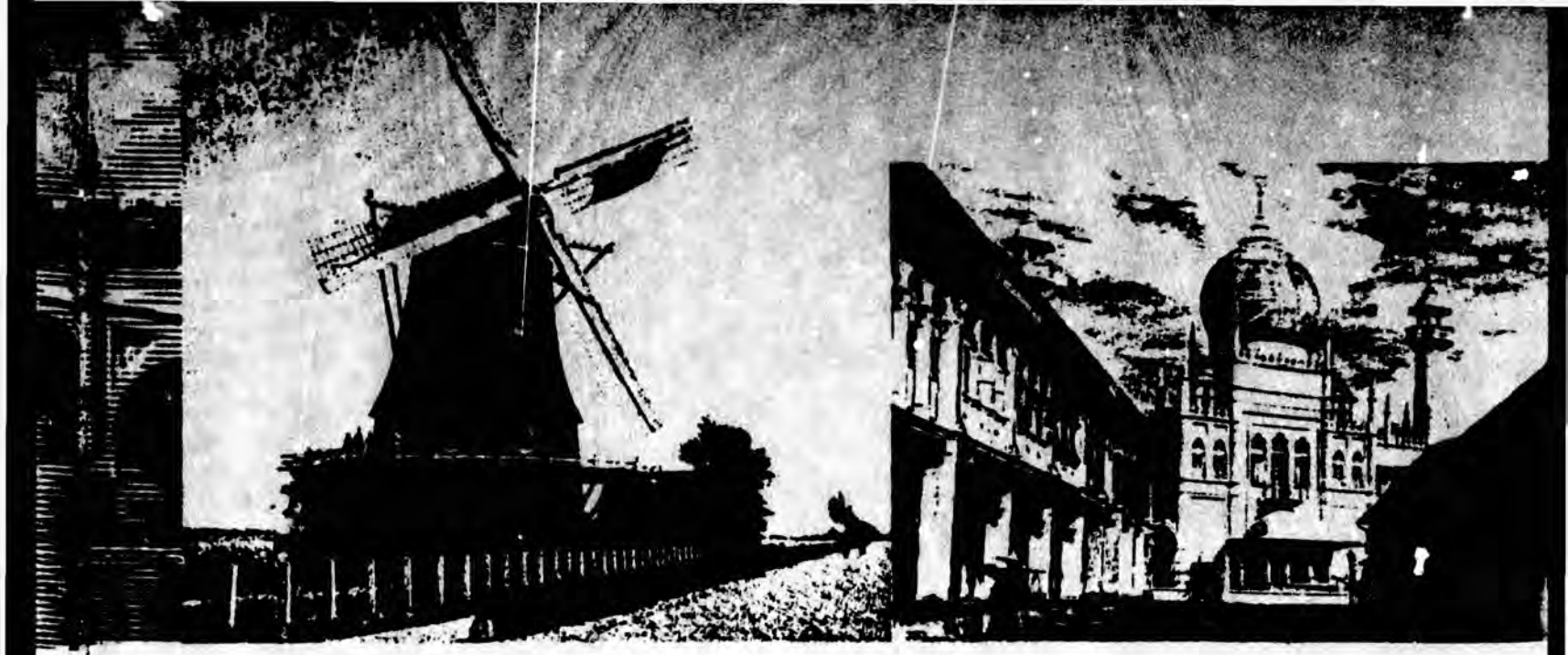
The influx of deutsche marks, pounds, francs, rials and petrodollars into prime U.S. real estate, manufacturing, banking, retail chains—and even into homes for the aged—is producing fears of foreign control that hark back to the late 19th century, when more than a dozen state governments moved to restrict alien land acquisitions.

How you view the current surge of capital depends in part on how much reliable information you have concerning it. It also depends on the direct impact of these investments, actual or imagined, on your own economic situation.

Some of the strongest voices on the issue, both in favor of greater investment and against it, come from people who envision major effects on their own wealth or livelihood, but have relatively little solid information on the national or statewide impacts. The author of Iowa's widely publicized new state law prohibiting foreign acquisition of farm property, for example, now freely admits that he thought the extent of alien ownership of Iowa farmlands was significantly greater than the less-than-one-tenth of 1 percent it has turned out to be, according to subsequent federal tabulations. Horace R. Daggett, a four-term member of the Iowa House and the owner of a 480-acre farm, hasn't changed his mind on the issue, but he agrees that his perceptions of the size of the problem were magnified by his own economic dependence on farming as a way of life.

At the other end of the spectrum, some of the strongest advocates of foreign investment—realty consultants based in New York, San Francisco, Miami, Los Angeles and Texas—concede privately that the pace and magnitude of investments in commercial properties in concentrated urban markets (an estimated $1 billion or more last year in Dade County, Florida and Houston, Texas, for instance) are far larger than they ever anticipated was possible as little as two years ago.

Is America indeed being sold off in pieces to the highest bidder? Are Howard Johnson's 28 Flavors and motel empire (in the process of being sold to British investors for $630 million), Houston's Pennzoil Plaza (sold to German investors for nearly $100 million), 13 of downtown Los Angeles' best-located office buildings (sold at multimillion dollar prices to Japanese, Cana-



Taking Stock in America

dian, Dutch and other investors), and prime real estate in virtually every major U.S. city merely the beginning of the long-term selling of America? Or are these investments—particularly in real estate—healthy, small-scale infusions of capital into the segments of our economy that need it most? Let's take a look at this complex issue, at the hard statistical data that exists about it, and where the trends appear to be heading in this new decade.

If you examine the federal government's data on the extent and pace of foreign investment here in recent years, you inevitably come up with a mixture of conclusions.

On the one hand:

• The Commerce Department's Industry and Trade Administration reports that foreign investment transactions involving at least 10 percent acquisitions of American real estate and business enterprises during 1978—the latest year for which data is complete—were 58 percent more numerous than during the preceding year, and up 85 percent in dollar terms. Twenty percent of the dollars involved were in real estate—farmland purchases, investments in office buildings, shopping centers, timberlands, industrial parks, and the like.

• Foreign penetration into segments of the U.S. economy important to real estate, such as banking, has been proceeding at a rapid pace. The U.S. officers of foreign-headquartered banks now account for 14 percent of all commercial and industrial loans, and one-third of such loans in the New York metropolitan area, whereas in 1972 the percentage was negligible, according to a federally funded study ("The Impact of Foreign Direct Investment on U.S. Cities and Regions," U.S. Department of Housing and Urban Development, 1979). Total foreign bank assets in the U.S. stand at $95 billion, up from just $23 billion in 1972. The growth rate of these assets has been nine times as fast as the rate of expansion of asset holdings in domestic banks.

• Foreign holdings of American farmland and timberland now stand at about 3 million acres out of a total of 1.3 billion acres, according to Department of Agriculture estimates. Some of the individual holdings are extremely large, such as London-based paper and building product conglomerate Bowater Corporation's 168,000 acres in Georgia, plus extensive holdings in six other southern states.

The bulk of recent foreign investments in real estate, however, has been in income-producing properties in prime urban growth areas—particularly in shopping centers, office buildings, industrial parks, hotel and residential development parcels. Commerce Department and HUD data suggest that most of this capital is going into the Sunbelt cities, often at lower cash-on-cash yields than many U.S. realty investors would accept. HUD's study on foreign investment impacts saw this as deleterious to the needs of the economically strapped northern cities.

On the other hand, federal data and studies by private national organizations also reveal that:

• The extent of U.S. direct ownership of capital abroad in real estate, manufacturing, retail and other economic sectors, is about $160 billion, four times the $40 billion in

Table 1
U.S. Agricultural Land Holdings of Foreign Owners, by State, 1979

State	Privately Owned Agricultural Land*	Foreign-Owned Agricultural Land	Proportion of Foreign-Owned Agricultural Land
	1,000 acres	Acres	Percent
Alabama	29,467	162,430	0.5
Alaska	400	337	neg.**
Arizona	10,383	71,550	0.5
Arkansas	28,634	20,734	0.1
California	47,353	109,498	0.2
Colorado	37,527	132,137	0.4
Connecticut	2,267	220	neg.
Delaware	1,084	837	0.1
Florida	26,529	122,671	0.5
Georgia	33,253	223,412	0.7
Hawaii	1,992	14,287	0.7
Idaho	15,166	6,534	neg.
Illinois	32,326	29,477	0.1
Indiana	20,909	5,335	neg.
Iowa	33,912	12,699	neg.
Kansas	49,911	22,496	neg.
Kentucky	22,915	7,956	neg.
Louisiana	26,463	17,032	0.1
Maine	18,829	18,934	0.1
Maryland	5,146	10,285	0.2
Massachusetts	3,322	5	neg.
Michigan	26,117	5,489	neg.
Minnesota	36,204	16,101	0.1
Mississippi	26,629	77,704	0.3
Missouri	40,025	18,891	neg.
Montana	54,189	147,630	0.3
Nebraska	45,397	26,807	0.1
Nevada	7,586	130,266	1.7
New Hampshire	4,882	30,040	0.6
New Jersey	2,894	7,416	0.3
New Mexico	34,451	169,838	0.5
New York	24,257	122,064	0.5
North Carolina	27,321	75,986	0.3
North Dakota	39,617	11,805	neg.**
Ohio	22,979	4,847	neg.
Oklahoma	38,875	2,982	neg.
Oregon	25,685	166,168	0.6
Pennsylvania	22,380	95,565	0.4
South Carolina	15,932	220,125	1.4
South Dakota	38,241	14,084	neg.
Tennessee	22,901	285,775	1.2
Texas	156,768	161,951	0.1
Utah	10,779	8,131	0.1
Vermont	5,251	24,167	0.5
Virginia	21,499	37,327	0.2
Washington	23,028	35,327	0.2
West Virginia	13,744	2,599	neg.
Wisconsin	27,837	9,853	neg.
Wyoming	28,142	1,800	neg.
Puerto Rico	na	386	neg.
Total	1,290,217	2,899,998	0.2

*Privately held land based on T. Frey, "Major Uses of Land in the United States 1974," Econ., Statis. Coop. Service, U.S. Dept. Agr., /.g. Econ. Rpt. No. 440, Nov 1979. Estimate of total land less public land, urban, and transportation. Includes forest land, cropland, pasture range and miscellaneous.

**Negligible.

direct foreign ownership here. The present rate of U.S. investment overseas is three times the rate of new foreign investment here. Of the $5.6 trillion in total U.S. domestic assets, according to a NATIONAL ASSOCIATION OF REALTORS® study, foreigners own less than 1 percent. At the current rate of investment here, according to the study, it would take another 12 years for foreigners to control another 1 percent of those assets.

• Agriculture Department data indicates that the 3 million acres of farmland and timberland owned in the U.S. by foreigners must be seen in the context of 1.3 billion acres total stock of privately owned land (cropland, pastureland, rangeland and forest land) in the country as a whole. That is a rate of foreign ownership of roughly one half of 1 percent. As the November 1979 Agriculture Department statistics show, in only three U.S. states are foreign holdings 1 percent or more, and some of the largest states in terms of territory have negligible holdings of less than one-tenth of 1 percent (see Table 1).

• Although foreign bank assets here are expanding, the $95 billion held within the U.S. has to be contrasted with the nearly $300 billion in assets held in foreign countries by branches of American banks.

• Even critical federal studies, like HUD's, see benefits in large inflows of foreign dollars to the U.S. "Foreign investment is attaining a scale," said the report, "where it can have important impacts on the U.S. economy by increasing income, employment, and output; by affecting the balance of payments; and by contributing to the growth of urban and regional economies."

The official stance not only of the federal government but of a majority of state governments has been to encourage foreign investment in local economies, not hamper it. Forty states competed unabashedly with incentives and sites for the location of the $250 million Volkswagen assembly plant which ultimately went to New Stanton, Pennsylvania. About 30 states maintain offices or representatives in Europe whose function is to attract capital from private firms, pension funds and governments on the continent and dozens of American cities every year send official or business community missions to Japan, Europe and the Middle East to do the same. The fact that the Eurodollar, the petrodollar and other currencies are responding to these invitations should be a surprise to no one. It is the direct result of a concerted American public and business policy.

Impacts on Real Estate

Although the nationwide and statewide data on the extent of foreign investment in real estate suggests the impacts to date are relatively small, the situation is not that simple. For the fact is that on a localized basis, the effects of foreign capital movements have been large, highly visible, and are likely to continue to be significant.

The Miami area, for example, has become one of the hottest commercial and residential markets in the country in part because of massive infusions of funds from Canada, Latin America, Saudi Arabia and other nations. The largest office structure in Miami, One Biscayne Tower, was sold 18 months ago to Saudi businessman Abdul Latif Jameel for $49.1 million. A fellow countryman, Mohammed Y. Bedrawi, has purchased what local realty brokers identify as one of the most expensive private homes anywhere in the Miami area, a $1.2 million, five bedroom house in Coral Gables. Canadian investors last year bought the 3,200 acre Homestead mixed-use development project, the area's largest – and have poured $100 million into aluminum manufacturing, newspapers, banks, motels, hotels, nursing homes and a wide variety of commercial real estate. Florida has become Canada's southern province, in the words of one enthusiastic Miami broker. It also has become an international magnet for foreign firms, with more than 100 multinational corporations now maintaining offices in Coral Gables alone. Mira Wilkins, an economist at Florida International University and the author of *Foreign Enterprise in Florida*, calls the inflow of capital "essential to the dynamism" of the state in the 1980s.

In Houston, the size and impact of foreign investment have been equally important, with the Chamber of Commerce estimating real estate and industrial acquisitions in 1978 at more than $1 billion. Brokers there indicate that one-third of current commercial project fundings involve some form of foreign participation. David Cummings, owner of Houston's Associated Investment Properties, describes foreign interest in the metropolitan area's real estate—particularly downtown office buildings, developable land and shopping center properties—as "virtually feverish."

New York, Los Angeles, metropolitan Washington, and other key cities also have experienced heavy infusions—to the point that during the credit crunch months of late 1979, some developers and sellers of income properties looked first to foreign sources for their capital, and only secondarily to domestic sources.

The Agricultural Land Problem

Without question the most controversial impacts of capital investment from abroad have been in the field of agricultural and timberland acquisitions by foreigners. Thirty states have adopted some form of restrictions on the ownership of land by foreigners—ranging from disclosure requirements following sale (Virginia, 1979) to absolute bans on alien acquisition of agricultural land (Iowa, 1979, effective January 1, 1980).

The Iowa law, pushed through the legislature by the Rep. Daggett quoted previously, is the most significant recent legislation, and could be a model for other states. Daggett says that more than two dozen legislatures or state committees across the U.S. have requested copies of his law, and he believes its widespread adoption "would save a lot of land for American farmers and their children, and preserve a way of life that this country was built on."

Daggett and other Iowa farmers were upset by the relatively small-scale purchases by foreigners that have occurred within the state's rich corn, soybean, and cattle agricultural stock. They tell of the $1.5 million that British actor Sean Connery and a group of investors plunked down for a 680-acre farm in Fayette County. ("James Bond just bought the Askelsen place," went the story.) They tell of Saudi Arabians, Germans and others nosing around for prime Iowa farmland with large amounts of cash, and they get upset.

The sheer numbers of acres involved "aren't the point," argues Daggett. "It's the outlook for the future, the outlook for prices being raised by these folks; the life of communities being changed by absentee owners who don't really care about schools and local government matters. The issue is control and the use of our land. Is it going to be us, or is it going to be somebody who lives in another country?"

Table 2
Who Are the Top Foreign Investors in U.S. Land?*

	Country	Acres		Country	Acres
1	United Kingdom	907,692	29	South Africa	1,478
2	Luxembourg	398,550	30	Sweden	1,462
3	West Germany	352,147	31	Brazil	1,340
4	Canada	265,894	32	Australia	1,132
5	Netherlands Antilles	187,449	33	Lebanon	943
6	Netherlands	126,956	34	Turkey	520
7	Switzerland	62,291	35	Iran	492
8	France	49,530	36	Czechoslovakia	415
9	Mexico	47,755	37	Guyana	334
10	Belgium	36,687	38	Ireland	310
11	Lichtenstein	27,567	39	Jamaica	294
12	Liberia	22,276	40	Jordan	229
13	Bahamas	20,517	41	Kuwait	217
14	Panama	19,723	42	Argentina	216
15	British Virgin Islands	14,252	43	Israel	177
16	Japan	14,229	44	Egypt	165
17	Colombia	13,973	45	New Zealand	160
18	Bermuda	9,158	46	Ivory Coast	119
19	Cayman Islands	8,682	47	Guatemala	106
20	Greece	6,223	48	Finland	80
21	Hong Kong	5,907	49	Pakistan	80
22	Venezuela	4,945	50	Spain	58
23	Norway	4,367	51	India	36
24	Denmark	3,527	52	South Korea	26
25	Italy	3,344	53	Honduras	15
26	Philippines	2,789	54	Uruguay	9
27	China	2,148	55	Chile	5
28	Austria	1,701	56	Ecuador	2
				Total	2,630,899

*Based on preliminary Agriculture Department analysis (September 1979).
Source: U.S. Department of Agriculture

The actual percentages involved from state to state are indeed low, and even the highest federal estimates of the rate of foreign acquisition confirm them to be well under 4 percent of new sales transactions. Since the Agricultural Foreign Investment Disclosure Act of 1978 went into effect, the U.S. has been able to begin getting a clearer statistical picture of the situation. The initial data from the 1979 filings required of all alien owners and new purchasers is summarized in Tables 1 and 2. The data supports earlier federal findings, such as by the Senate Committee on Agriculture, Nutrition and Forestry, that of the 2 to 3 percent of total private U.S. acreage that comes on the market every year, about three-fourths are gobbled up by local farmers, tenants, and investors, with absentee owners—American as well as foreign—left to bid against a maximum of 15 percent of the available land.

What is also instructive in the data are the identities of the foreign nationals purchasing U.S. land. While the popular image may suggest that OPEC sheiks or their brokers are

skulking around the countryside buying up fertile farms, the data indicates that the oil-producing countries are inactive in this field. British corporations and individuals own the biggest pieces of U.S. lands, as they have throughout the past two centuries. Next come corporate and private investors from Luxembourg, West Germany, Canada, and the offshore Caribbean tax haven of Netherlands Antilles. Kuwait is 41st on the list with barely 217 acres of American land.

Economic Attractions—and Possible Federal Tax Revisions

The disproportionately high rankings of the Netherlands Antilles, the British Virgin Islands, Bahamas, and other tiny countries offer insight to still another issue raised by the foreign real estate investment boom here.

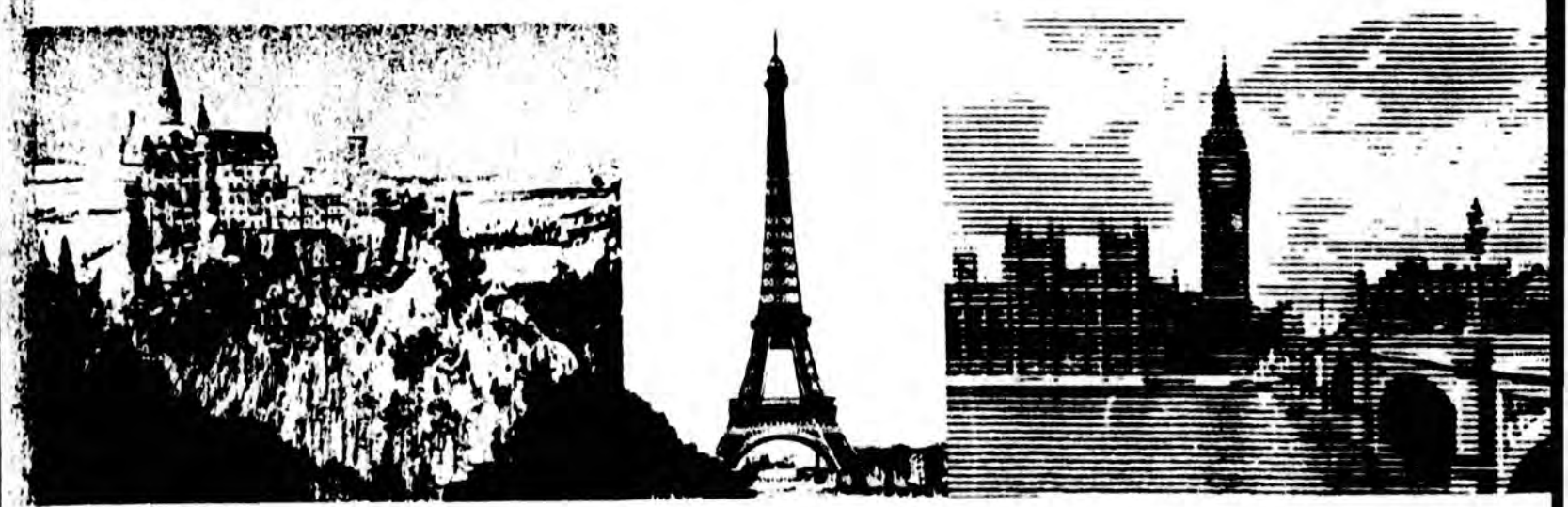
Farmers, some of their representatives in Congress, and the U.S. Treasury Department have complained that a significant portion of new money is being attracted by the U.S. tax structure, which allows incentives to foreigners in capital gains treatment of real estate profits that are not afforded American taxpayers.

The U.S. tax code does indeed provide special loopholes for nonresident aliens. As Kenneth Leventhal, the nationally known accountant and principal partner in Kenneth Leventhal & Co. of Los Angeles, puts it: "With proper tax planning, any foreign investor can avoid paying United States income tax on the ultimate sale of U.S. real estate." This includes income-producing commercial property as well as agricultural real estate. Leventhal points out that there are a variety of methods for doing this, such as by investing through corporations based in treaty-protected tax havens (like the Netherlands Antilles and the British Virgin Islands), by selling stock in foreign-based corporations whose profits are derived from U.S. realty sales (the U.S. imposes no capital gains on stock sales of foreign firms by foreigners), and by selling U.S. realty via the installment sale method. The legal explanation of these and other approaches gets technical and lengthy, but the point is clear: The Internal Revenue Code offers incentives for alien investors that American citizens cannot obtain. (For a more complete discussion see "Taxation of Foreign Investors" on page 18. Also, the Treasury Department completed an important monograph on this subject in 1979, "Taxation of Foreign Investment in U.S. Real Estate," which explains the tax loopholes and preferences in great detail.)

Bills have been introduced in both the Senate and House in the current Congress aimed at closing these loopholes, and the Senate Finance Committee approved a bill to this effect in December 1979. The House Ways & Means Committee, however, which held hearings in October 1979 on similar legislation, has not yet taken action.

Even assuming that Congress does ultimately revise the code to equalize tax treatment between Americans and foreigners, is that likely to have a major effect on the pace of investment here from abroad? Real estate consultants and attorneys who work with foreign clients are divided on the degree of influence it will have, but the majority viewpoint appears to be "not very much, if at all."

John McMahan, a San Francisco real estate consultant whose firm has helped invest $110 million for foreign clients in U.S. real estate



over the past several years, ranks tax advantages last on his list of key motivating factors. "Most (foreign) clients," he says, "aren't really thinking about taxes in real estate, unlike many American investors. The majority of foreign investors, in fact, probably don't give a thought to it at all until their American attorneys point out some of the interesting things they can do."

The key attractions in U.S. real estate, according to McMahan, are:

- The sheer size, diversity, and incomparable stability of the U.S. market. America's real estate procedures are well-established, well-secured by financial and technical intermediaries—unlike many other countries' markets.

- The attractive pricing of U.S. real estate, agricultural and commercial, relative to prices in other developed countries such as Japan and on the European continent. The effective depreciation of the dollar has widened the price gap rapidly, notes McMahan, enabling many foreign investors to buy U.S. real estate with "cheap dollars."

- The availability of plentiful financing here. Foreign investors generally are not looking for high-leverage opportunities—preferring instead to put 50 percent equity into an acquisition—but they still often require some form of financing. Capital availability in the U.S. for the sort of prime properties foreign investors prefer is usually excellent.

- The continued high, steady rate of appreciation of American real estate—particularly high-quality income property. Foreign investors fear inflation and the erosion of their capital, just as Americans do. And, like Americans, they've watched real estate outperform just about everything else in sight.

- Yield—the cash-on-cash return—is important to foreign investors, says McMahan, but foreigners are more willing to be patient for yields to grow than are most American investors. As a result, foreign equity can be obtained today at 6 to 8 percent yields, whereas American investors typically seek 10 to 12 percent as a minimum.

The Preferred Acquisitions for Foreigners in the 1980s

Absent any drastic changes in the U.S. economy, political structure or laws, foreign investment in American real estate can be expected to remain at high levels—even accelerate—for the foreseeable future.

One of the country's experts in the field, John R. White, president of New York-based Landauer Associates, sees a boom coming in the next several years. White, whose firm has guided an estimated $500 million in foreign equity into U.S. shopping centers, office buildings, and other property in the past five years alone, believes that the rise of global economic factors make this virtually inevitable.

"In the next few years," White told the *Wall Street Journal* in a December 1979 interview, "we expect to double or triple the amount invested for foreign clients. . . . We hope to become as big as the life insurance companies in real estate investment."

The investments are likely to continue heaviest in the high-growth areas of the U.S.—especially the Sunbelt states—but may also be in select growth "pockets" located inside slower-expanding, northern metropolitan areas.

The country's estimated existing 18,200 shopping centers—and 500 to 600 new ones developed per year—are a likely focus for capital coming in from abroad, as are prime office buildings, well-connected by transit lines, in the inner-ring suburbs of major U.S. cities. On the other hand, investments in apartment buildings and other residential projects—with their heavy management responsibilities and high marketing risks—will not attract overseas capital on as significant a scale.

Whatever the ultimate direction of the capital inflow during the decade of the 1980s, one conclusion appears certain: Realty brokers in rural, urban, and suburban areas will do well to keep abreast of such developments to determine if or how they relate to their own businesses. □

Kenneth Harney is the executive editor of Housing & Development Reporter *and a syndicated columnist for the* Washington Post.

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Thursday, January 31, 1980 25 cents

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Government checks foreign investment in seafood industry

By CHRIS BLACKBURN
Mirror Staff Writer

Three federal probes are under way to determine the extent and effect of foreign investment in the U.S. fishing industry at the requests of congressmen from Louisiana, Washington, Oregon and Alaska.

Following last fall's drop in king crab prices, which occurred after fishermen's organizations thought they had a negotiated price, Alaska's Rep. Don Young and Sen. Ted Stevens and Washington's Sen. Warren Magnusen requested that the Office of Foreign Investment in the U.S. research foreign investment in the U.S. fishing industry.

The federal General Accounting Office, at the request of Oregon Rep. Les AuCoin, has also launched its own investigation of foreign investment in the U.S. fishing industry.

In addition, according to Young's office, the House Subcommittee of Fish and Wildlife Conservation requested that the Library of Congress initiate a study of foreign investment in the U.S. fishing industry, but "for a number of reasons" the Library of Congress study "never got off the ground."

In December and January a representative from the Fish and Wildlife Conservation subcommittee visited Washington and Alaska and interviewed members of the fishing industry.

All investigations of foreign investment in the fishing industry have been conducted without publicity. News of the probe by the Fish and Wildlife Conservation subcommittee, which is headed by Rep. John Breaux of Louisiana, was broken Jan. 21 by Peninsula Clarion writer Steve Rinehart.

Findings of the subcommittee's research will be kept confidential "until, and if, the matter is turned over to the U.S.Department of Justice," according to the Peninsula Clarion.

Spokesman for the committee Wayne Smith of Wash., D.C., refused to discuss the investigation with the Clarion.

In requesting the investigation, Breaux wrote the Japanese trading companies appear to be fixing prices, may be dividing markets to limit competition and may be controlling capital to assure continued Japanese control of the fish processing industry and fish markets in the U.S., according to the Clarion.

In a prepared release, Young noted that foreign capital in the U.S. fishing industry is the result of a lack of U.S. capital for what is a high risk industry and of easy access to foreign capital.

There has been concern recently, Young said that the amount of foreign capital in the U.S. fishing industry has given foreign companies control of the industry.

However, Young said, "I do not think at this point it is wise or fair to single out any nation or making any accusations of illegal

(Continued on Page 3)

...or hearing

...nt of limited ...ry concept on ...akes sense,"

58 foot seiners, the fish will be caught before they ever enter the bay, and Kodiak will once again be on the inside looking out as the larger boats take all the fish."

Weather — FORECAST: snow showers, cloudy WINDS NW 10-15 m.p.h. HIGH 35 LOW 20 MARINE FORECAST: (Gore Point-Shuyak) Gale warning ...NE winds 35 knots gusts to 45 SEAS 11 feet decreasing to 5 OUT

Hearing

(Continued from Page 1)

concern with the amendment.

"Here in Kodiak, if we want to be in the crab and salmon game, we have to be forced to buy two boats because of the existing law," he said.

Harder said that if Southeast fishermen were allowed larger, multipurpose vessels, then when the fishing became bad in Southeast, they would be able to come up to the Kodiak area and fish crab and shrimp in Kodiak waters.

Harder said he would like to see the issue put to a vote to all the seine boat owners in the state, "any my guess is you would find that 90 percent of the owners would vote against it," he said.

Gardiner said that Alaska is such a big state that it isn't realistic to expect one law for everyone on certain issues, which is why the amendment was added to limit the hiring of restrictions on the length of the salmon seiners for Southeast fishermen only.

"I suggest that if you want to allow Southeast fishermen to develop multipurpose boats, that you allow them to fish in Southeastern only," Harder said.

Legislative Information Officer Mary Jo Simmons said she was very surprised at the small turnout for the teleconference because she had received so many phone calls from interested fishermen yesterday, prior to the hearing.

Zharoff and Mulcahy didn't sound too optimistic about the failure of the bill's passage in the House. After the hearing on the bills in the Resource Committee today, the bill could travel to another House committee, or be shot straight to the Senate, Simmons said.

Foreign investments

(Continued from Page 1)

practices."

The investigations, at this point, are fact finding, Young said, and no comment is appropriate until the facts are presented.

Doris Lashley of the processing firm Sea Catch in Kenai has been instrumental in forming an organization, the American Pacific Seafood Association, to investigate the effect of foreign involvement in North Pacific fisheries, according to the Peninsula Clarion.

The association has hired lobbyist George Steele, who has long experience with the tuna industry, according to the Clarion, to work for the association in Washington, D.C.

"I have heard the local allegations, but we need to gather the facts first," Steele told the Clarion, adding that there is nothing wrong with foreign investment unless it hampers the development of the American industry. The association's intent, Steele said, is to call attention to foreign investment in the U.S. fishing industry, but not to prejudge the case.

Joint venture settlement reached

ANCHORAGE (AP) — An out-of-court settlement has been reached in a suit by two fish processors against the federal government over procedures to approve joint U.S.-foreign fishing ventures.

The out-of-court settlement was approved by U.S. District Court Judge Joyce Green of Washington, D.C., in a suit brought by the New England Fish Co. of Seattle and Icicle Seafoods of Petersburg.

Under it, the National Oceanic and Atmospheric Administration agreed to clarify procedures for obtaining public comment on foreign applications for joint ventures before any decision is made.

Under federal law, foreign countries may apply for permits allowing them to receive fish taken by U.S. fishermen if domestic processors are not expected to able to use all fish caught by American fishermen within the U.S. 200-mile fisheries conservation zone.

New England and Icicle challenged methods used by NOAA for estimating the expected U.S. harvest of some species in the Gulf of Alaska, the use of that harvest by U.S. processors, and the amount of fish available for joint ventures.

The out-of-court settlement requires NOAA to make available to the public an explanation of how it arrives at its estimates, without disclosing confidential data.

[illegible] expecting for Lyng-Chasing natives he's threatened a $1.2 million lawsuit against the Juneau-based Tlingit-Haida Central Council unless the native group responds to its demands by June.

Reg Kelly, vice president of Tlingit-Haida of Mossett in British Columbia who also represents Tlingit-Haidas of the Yukon Territory, says the central council owes his people $500 per person.

The claim is based on the 1965 federal judgment of $7.5 million used to finance creation of the central council program. The U.S. grant specifically included descendants of Southeast Alaska natives who now live in Canada.

Kelly said that after 8 years of talks and what he called "stonewalling" by the Juneau-based organization, it appears court action is his last resort.

Ray Paddock, president of the council in Juneau, denied the Canadians have any claim on the $7.5 million.

He acknowledged they are included in the law, but that it was strictly for "political purposes."

Paddock said the Canadians have been invited to join the central council and if they are accepted, they will be eligible for central council services which were set up as an alternative to a cash distribution.

The council had asked Bureau of Indian Affairs attorneys in Anchorage whether the Canadians were entitled to benefits under the social programs. They were told yes,

Paddock said he has no plans to negotiate the issue.

Kelly said the offer of Canadian membership in the council is unacceptable because they live too far away to benefit from council social programs.

The Canadians constitute about 10 percent of the Tlingit-Haida population covered by the federal award.

Police handle

Police received a report at about 3:30 this morning that a 23-year-old woman had been assaulted. The incident has been referred to the district attorney for any further action, said police.

William McLinn and Martin Fergusen were arrested and charged with possession of a hallucinogenic drug for sale early this morning, police report. Both are scheduled to appear in court today, said police.

Police received a report

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January 15, 1980

(A) Foreign In.

Rep. Fred Zharoff
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Fred:

Enclosed please find a copy of the final report "Foreign Investment in the Alaska Seafood Industry." It was both a challenge and a pleasure to do this work for the House Interim Commitee on Foreign Investment.

I have also enclosed a copy of a letter sent to Mr. Charney. As I expressed in that letter, we will cooperate to the extent necessary during the production and distribution of the report. In addition, we would like to receive ten (10) copies of the final report. If you concur, would you please convey this request to Mr. Charney?

As you requested we have produced two (2) copies for Pat Sweeney, General Accounting Office, Seattle. We have received numerous other requests for the report; these have been directed to Mr. Charney and yourself. Due to the high demand for the report, 300 copies may not be adequate. You may wish to discuss with Mr. Charney the production of additional copies.

We have enjoyed working for the Committee and would welcome the opportunity to do additional work regarding foreign investment. Please contact me if you have questions regarding the production and distribution of the report or other matters.

Sincerely,

Peter Rogers

Peter Rogers,
Economic Analyst

Enclosures

PWR:lco

FRANK ORTH & ASSOCIATES
Economic and Business Consultants • 225 108th Ave. N.E., Suite 311, Bellevue WA 98004 • (206) 455-3607

January 14, 1980

Mr. Myrton Charney,
Executive Director
Alaska State Legislature
Legislative Affairs Agency
Pouch Y
Juneau, Alaska 99811

Dear Mr. Charney:

Enclosed are the original and a copy of our firm's final report to the House Interim Committee On Foreign Investment. Rep. Fred Zharoff, Chairman of this Committee, is the liason person for the printing of the report. It is our understanding that the committee desires 300 copies of the report. Please contact Rep. Zharoff to confirm this, as well as the method of printing and distribution procedure for the report.

Enclosed under a separate cover are 90 front covers and 90 back covers. We will arrange for the printing of additional covers upon your request.

If there are any questions or problems with the material submitted, please feel free to contact me.

Sincerely,

Peter Rogers

Peter Rogers
Economic Analyst

Enclosures

cc: Fred Zharoff

PWR:lco

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

POUCH D
JUNEAU, ALASKA 99811

November 20, 1979

Honorable Fred F. Zharoff
Alaska State Representative
Chairman, Foreign Investments
Committee
Box 405
Kodiak, Alaska 99615

Dear Mr. Zharoff:

I have just finished reading two articles that appeared in the November, 1979 issue of the National Fisherman, both of which were authored by Mr. W. P. Dougherty. I have enclosed copies for your information.

After reading these articles I am a bit confused as to the role which Mr. Dougherty has played in getting the full support of the staff of the Corporations Section within this division to the extent possible, given the other commitments of that section. I understand Mr. Dougherty works for your committee. However, I am particularly confused as to why the article which appears on page 23 of the National Fisherman was reported at all in that it appears to be substantially the same article as which appeared in the December 7-13, 1978 issue of Alaska Advocate and does not reflect the activities of the division nor the activities of your committee in getting clarification on foreign investment in the state. A copy of that article is also enclosed for your information.

I would be interested in your thoughts on this matter. The division has worked closely with your committee in the past primarily through Mr. Dougherty. I intend to cooperate with the committee in any way possible on making the files of the division available and offering advice and comments on the maintenance of those files.

I look forward to seeing you in January during the next legislative session.

Sincerely,

Julius J. Brecht
Director

JJB/val2/3
cc: W. P. Dougherty

08-H14LH

By W.P. Dougherty

Like market concentration, the concentration of ownership attending Japanese investment also poses potential problems for Alaskan fishermen.

Dr. Franklin Orth, in a report entitled "Japanese Investment in Alaska Seafood Processing," describes the ownership characteristics of the Northeast Pacific processing industry:

"Explicit concentration in the domestic seafood processing industry is already high in some areas (of Alaska). Ownership interlinks among domestic firms increase actual concentration to much higher levels. Add investments by a large Japanese fishing & trading company in several Alaskan companies, and the potential for market power is further enhanced."

Marubeni's tentacular investments illustrate well the type of situation Orth outlines (see charts).

Marubeni owns stock in four Alaskan companies: Kodiak King Crab Inc., which operates two shore plants and a processing ship; North Pacific Processors Inc., which has two shore plants; Togiak Fisheries Inc., which operates a shore plant and a freezer ship; and Ward Cove Packing Co. Inc., which has one shore plant.

Kodiak King Crab in turn owns Cordova Bay Fisheries, which operates one shore plant, and Juneau Cold Storage, which has one shore plant.

North Pacific Processors owns Alaska Pacific Seafoods, which runs a single shore plant.

Ward Cove Packing Co. apparently owns Columbia Ward Fisheries, which operates five shore plants; Craig Fisheries, which has one plant; and Excursion Inlet Packing Co., which runs one plant.

So, although Marubeni owns stock in four companies, which directly operate eight processing facilities, it actually interlinks a total of at least 18 plants statewide.

Since the State of Alaska has never undertaken to study the effects of such corporate connections, no one knows whether competition in the market is reduced as a result.

Dick Reynolds, fisheries development specialist with the Alaska Div. of Economic Enterprise, authored a report in 1974 entitled, "Japanese Investment In Alaska." He noted:

". . . The fishing industry has been this way forever: control has been vested within a few major corporations.

"If the Japanese trading companies are not 100% competitive among themselves, in other words, if their method of business operation is to carve out a niche that's not encroached on by another trading company, then you don't have the competition that you're looking for."

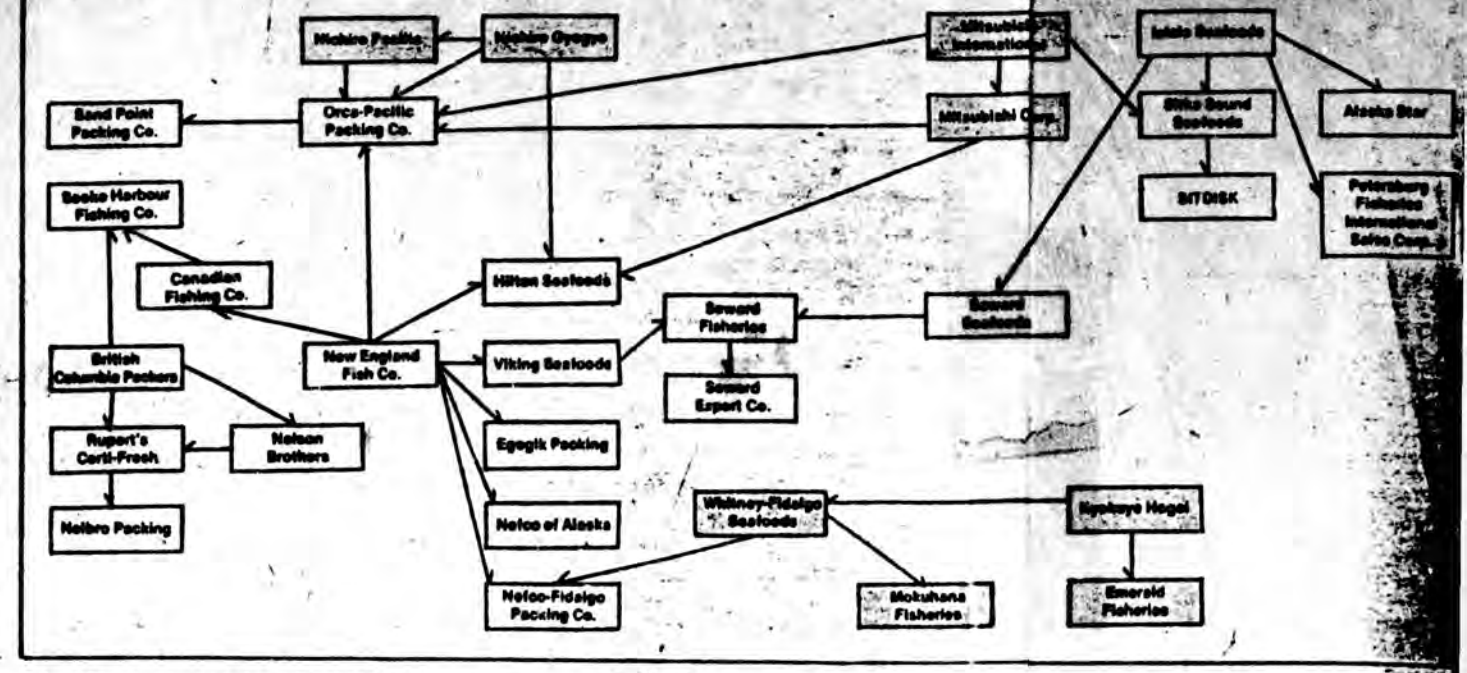
Dr. George Rogers, a Juneau economist who has written extensively on Alaska's fishing industry and is familiar with business operations in Japan, explained the huge Japanese trading companies:

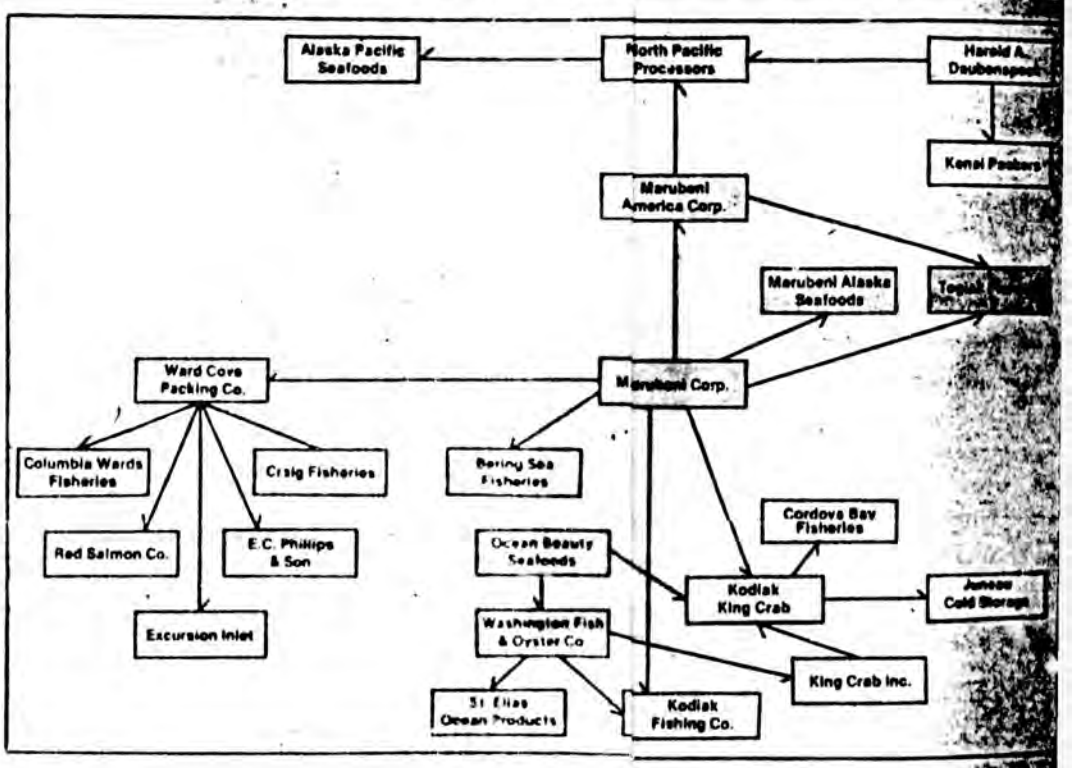
"They have strict territories that they agree on among themselves. They have the whole world mapped out, and they don't compete with each other. I imagine they would probably do the same with processors in Alaska. My impression is that they would not have fishermen going back and forth between them selling to the one that gives them the best price."

It should be noted that all the Japanese firms operating in Alaska are not trading companies, which are very large, highly diversified, multinational corporations. The two main trading companies active in the Alaska seafood industry are Marubeni Corp. and Mitsubishi International, supposedly the largest corporation in the world.

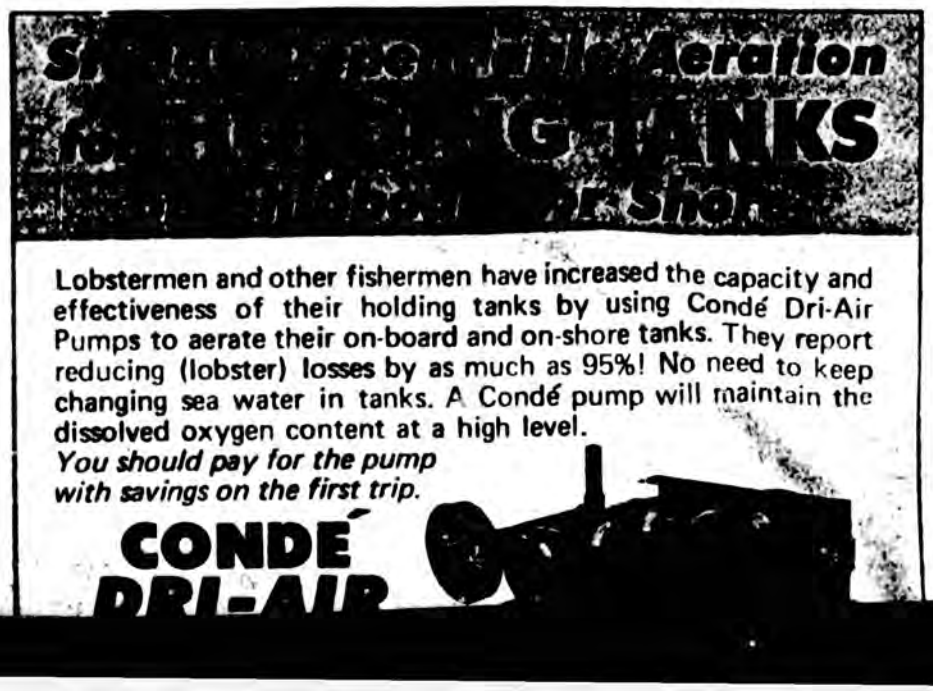
The other Japanese firms are primarily worldwide fishing companies. Generally it is understood that the fishing companies and the trading companies are antagonistic competitors, it is important not to lump them together as simply "Japanese" assuming a unilateral purpose or point of view.

"As far as whether Japanese investment is good or bad, I think you have to look at the people who make the investment. I would say some of the trading companies have not done so well for the industry," suggested





ALASKA's processing industry has a history of extensive interownership among companies, now compounded by substantial Japanese investment. These charts indicate ties between the firms shown; the connections may be equity investment, control or both. Japanese fishing companies such as Nichiro Gyogyo and Kyokuyo Hogei are antagonistic competitors of the huge international trading companies, the most visible of which are the Marubeni Corp. and Mitsubishi International. Since Japan's giant trading companies are thought not to compete with one another, it is interesting to note in these charts that while the fishing companies' investments overlap each other and those of the trading companies, the trading companies in no way overlap each other's investments but seem to maintain separate, inviolate spheres of investment.



Whitney-Fidalgo executive Sulkjold, who ... tastily refused to elaborate on his remark.

Whitney-Fidalgo is owned 99% owned by Kyokuyo Hogei, a Japanese fishing company.

Although no one interviewed could substantiate any charges of illegal oligopsony (market control resulting from a limited number of buyers) in Alaskan processing, at least one of the major Japanese trading companies operating here has been accused of corporate hanky-panky in the North.

A Los Angeles grand jury last year indicted Marubeni Corp. in connection with a bribe-kickback scheme involving an employee of the Anchorage Telephone Utility. The telephone company buys materials from Marubeni.

"People can look at these conspiracy theories and say, 'Hey, that guy's off the wall,' — and maybe I am off the wall — but I'm just saying these things could happen and we have to look at them and see that they don't happen," concluded union official Cotter at the end of one of his periodic sermons on foreign investment.

If there is any recurring theme among the people with some detailed knowledge of the evolution of the Alaskan seafood business, it is just what Cotter suggests: the industry is changing, but no one knows exactly how or understands what effect those changes will have on the day-to-day lives and livelihood of those who depend on the industry; the only way to protect Alaska's interests is to find out what is happening.

True to bureaucratic form, state government has reacted ponderously to "things that happen slowly and don't make headlines..."

Neither Jim Edenso, the governor's bottomfish coordinator, nor Chuck Meacham, Gov. Jay Hammond's assistant for international fisheries and external affairs, has any comprehensive profile of the processing industry generally or Japanese investment specifically, even though such information bears directly on their areas of responsibility.

When first interviewed about Japanese investment, Meacham said the administration has "not singled out any nation to give attention to (regarding investments in Alaska processing)."

However, in a second interview a month later, he said, "I have initiated requests for this information to be gathered in a usable form. . .I think it only correct that the state administration should have available to it the true ownership of companies that operate in the State of Alaska."

If somewhat overdue, the information is needed now as much as ever. With the state bounding forward with plans to do all within its power to nurture a bottomfish industry, it is necessary to understand clearly who will benefit and what it will mean to the industry.

Alaskan Journalist

W.P. Dougherty first began looking into the degree and effect of considerable Japanese investment in the Northeast Pacific fish processing industry in September 1977, on assignment for the "Alaska Fisherman." What he discovered was a dramatic shift in the face of the industry, though one which had undergone surprisingly little public scrutiny.

At the time the most current information on the topic was hopelessly outdated. Eventually he spent three months examining Alaska's corporate records and interviewing members of

...Don't Ask About Japanese Involvement

The extent of Japanese investment in Alaska's processing industry would be far less a mystery if state government had forced companies to live up to the law.

Alaska's progressive corporate disclosure statutes require firms doing business in the state to reveal who owns them and what foreign ties, if any, they have. The Div. of Corporations, however, has until recently elected to enforce the laws laxly or not at all.

For example, on the corporate annual report forms used by the division, the state asks companies to list "alien affiliates" and then gives the following definition of the term:

"A non-resident alien or a corporation whose place of incorporation is outside the United States."

This would scarcely seem to elicit the type of disclosure envisioned by the legislature when it decided that corporations should identify "any (alien) individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government subdivision or government" that "directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, a corporation" doing business in Alaska.

Any Alaskan corporation with an alien affiliate must reveal the number of its shares held by such an affiliate.

If this statute were enforced, Japanese ownership of Alaskan processors would be readily apparent in each corporation's file in Juneau. However, it appears the Div. of Corporations has permitted compliance with the law to be voluntary.

House Speaker Terry Gardiner (D-Ketchikan) wrote to Julius J. Brecht, director of the Div. of Banking, Securities and Corporations, asking why the misleading definition appeared on the annual report forms.

Gardiner replied, "It would appear that the definition being used by the Dept. of Commerce effectively thwarts the intent of 145 SLA 1975."

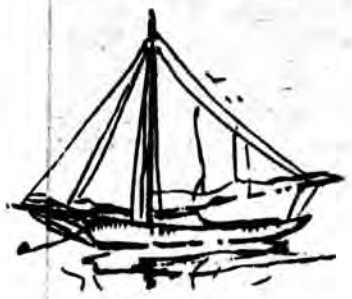
Gardiner was told that the forms had been printed two years in advance, and the definition would have to stand until the new forms were ordered.

Another batch of forms was ordered

the forms ... meant to ... companies ... what the law is and obeying it. We now have two year's worth of forms due for delivery. If this turns out to be a serious problem, perhaps we can do something with the definition, like typing a message (by computer) onto the annual report forms."

More than just a few corporations take advantage of the state's unconcerned attitude by neglecting to mention alien affiliates. At the moment, the division has no method for even spot checking the reports to see if they are correct.

— Dougherty



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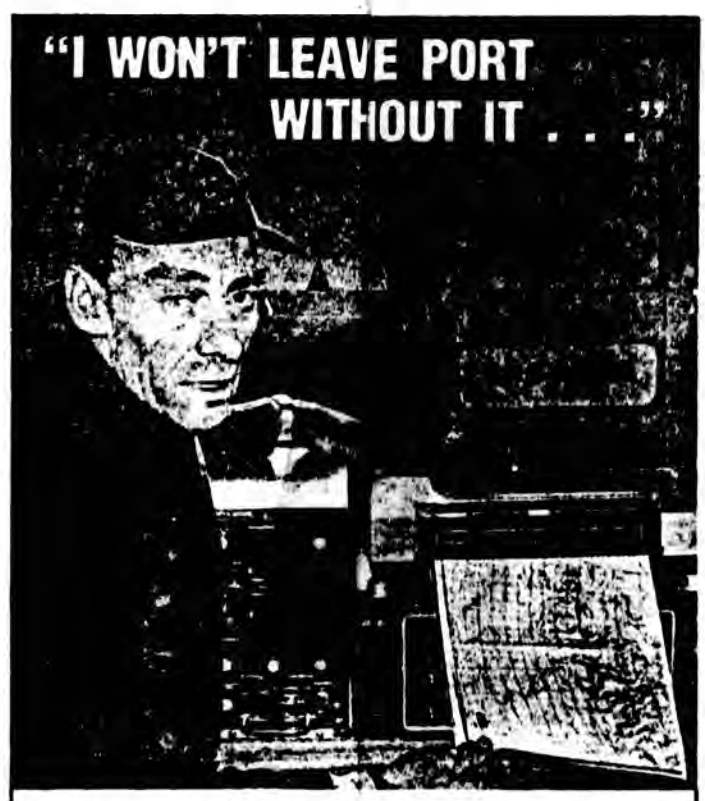

"I'm owner of the Audrey Lynn . . . a 75' steel combination longline and trawler. I fish surface longline for Swordfish down on the Grand Banks.

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Mr. Tashiro goes to Kodiak

Quietly, calculatedly, Japan buys an Alaska industry

by W.P. Dougherty

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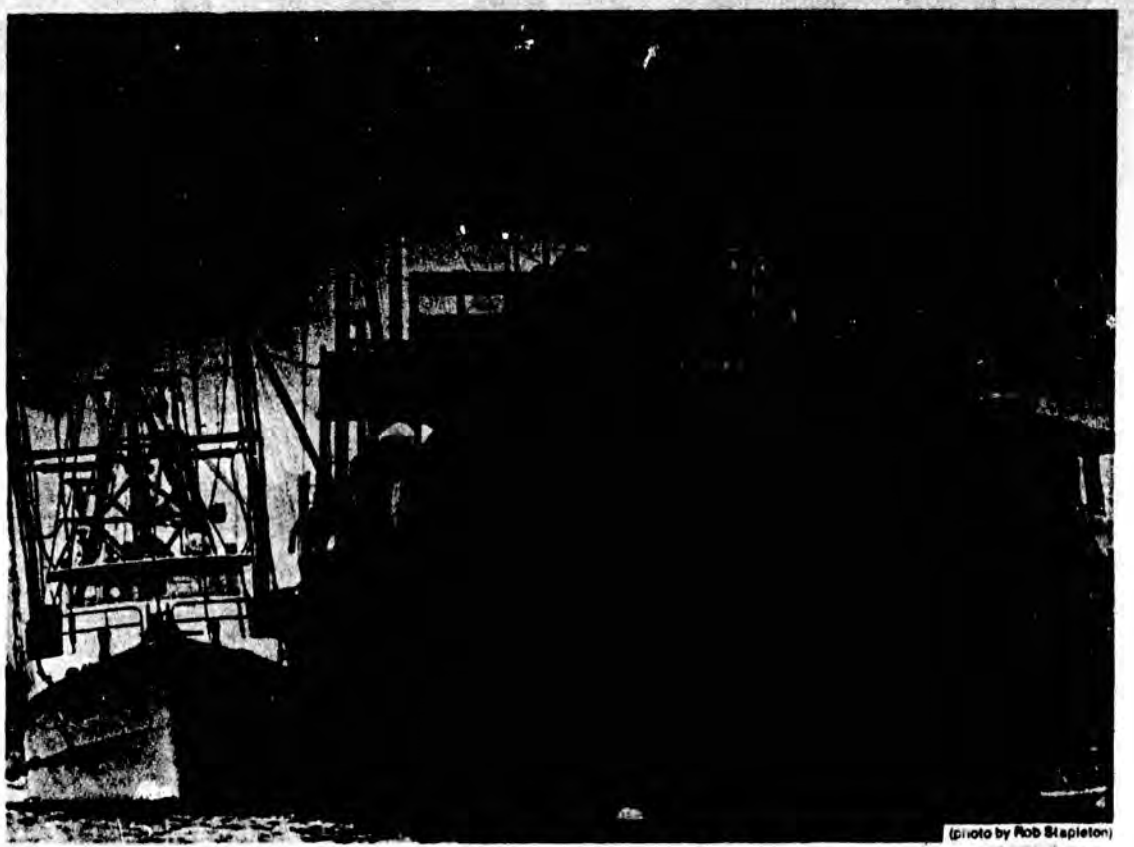

(photo by Rob Stapleton)

Accepting a load of fish aboard the M/V Whitney, a floating processor owned by Whitney-Fidalgo Seafoods, which is 99% Japanese.

The international Japanese trading and fishing companies, as their investment in the Alaska seafood industry grew and grew, found little use for such American corporate conventions as gaudy ribbon-cutting ceremonies and groundbreaking photo sessions. They seemed to cherish their low profile.

After all, over the years, the multinational Japanese industrialists found they reached a so-called "peril point" upon acquiring more than one-third of a particular local industry in a foreign country. The usual result of venturing beyond the peril point, notes a director of the Southeast Asia Research Center in Japan, is indigenous opposition and a flowering of anti-Japanese sentiment.

In the Alaska fish processing industry, however, the peril point passed years ago—without ceremony, without fanfare, and, apparently, without protest.

Foreign control of Alaska's fisheries, in one form or another, is hardly a recent wrinkle in the pages of state history. As one hard-boiled Kodiak fisherman groused, "We were a colony of Seattle; now we're becoming a colony of Tokyo."

In the halls of state government, the attitude seems equally as resigned; in 1976, Hammond assistant Bob Palmer told the authors of *Lost Frontier: The Marketing of Alaska* that "...the Japanese have a near monopoly (in the processing industry), if not an actual one."

Surprisingly, the state has failed to follow up such alarming pronouncements with a comprehensive, up-to-date look at how the Japanese affect one of Alaska's principal businesses. As a result, no one outside of the typically tight-lipped industry really knows how much the Japanese have invested, where they've invested it, or what degree of control ensues.

The few voices decrying Japanese ownership of processors operating in Alaska cite five potential problems begging for closer examination:

- The Japanese have a vested interest in retarding development of an Alaska bottomfish industry, and they may be able to accomplish this if the numerous processing companies they control decline to handle American-caught bottomfish.
- Monopolistic practices could be encouraged by increased interownership in an industry already notable for extensive inter-ties between the larger operating companies.
- Processing within Alaska, with its potential for tax revenue and local employment, could be abbreviated to allow Japanese firms to perform as many processing functions as possible in plants in Japan.

Unlike the timber industry, which also is heavily controlled by the Japanese, the fishing industry has no primary processing requirements. This encourages foreign firms to ship home virtually raw fish products.

- The Japanese-invested processors appear to have little reason to seek out and develop markets other than Japan, which raises the possibility of fishermen without bargaining leverage because no alternate markets

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● Since the majority of Alaska fishery products apparently are destined for Japanese markets, the health of the industry in Alaska is intimately tied to the ups and downs of Japan's economy.

Almost too obvious to mention is the fact that foreign ownership means profits will be guided to corporate treasuries overseas, while company accountants spend their days contemplating ways to reduce local tax liability, which is one of the primary ways Alaskans stand to benefit from the exploitation of their resources.

The legitimacy of these fears is undetermined and likely to remain so until two questions are answered: How extensive is Japanese investment in the Northeast Pacific processing industry? And how much control do the Japanese exercise as a result?

Petersburg processor Tom Thompson believes the Japanese miss few opportunities for investment. "I don't think anyone doesn't (have some Japanese financing)," he says, with a chuckle.

A recent investigation by the *Advocate* found Japanese investment in the majority of large-scale processors operating in the state. In terms of total production, the best guesses available indicate that Japanese-invested companies produce 65-85 percent of Alaska's commercial seafood.

Poor record keeping by the state and evasiveness on the part of many American processors, however, make it nearly impossible to paint an exact, current picture of the industry. The figure given above may well be too low.

Control is even more intangible than actual investment. Only industry insiders can knowledgeably discuss who pulls the corporate strings, and they are reluctant to do so.

Control of a corporation is not apparent in the reports filed annually with the state Division of Corporations (see story on Page 7). Just because U.S. citizens own 51 perce... of a processing company's stock does not mean Americans control it. Effective control can be bargained away in exchange for a loan necessary to prepare for the upcoming season, for example.

As one processor explained, "...If you're hurting for cash, (the Japanese) will come up and say, 'Sure, we'll give you a million dollars, but we want this and this and this at such and such and such a price.' Either you're not going to produce what they want and make nothing, or you're going to take (their) money. In fact, the Japanese come in as partners."

But, he adds, the most obvious, most effective method of control involves neither stock ownership nor loans. "The markets are Japan for the fishing industry in Alaska. That's enough control right there."

To understand how the interests of the Pacific neighbors—Alaska and Japan—become so wedded, a little history is in order.

MR. TASHIRO GOES TO KODIAK

One gray, damp spring day in 1964, Yoshio Tashiro followed his American guide through the frenzy and fragrance of a Kodiak Island salmon packing plant. Tashiro, an executive with the marine products department of the Japanese trading company, Marubeni Corp., had been dispatched on a mission to secure future supplies of salmon for his company to process and sell.

As he slipped past the clattering machinery and Filipino laborers, his footsteps were arrested by a startling sight.

"My God," Tashiro exclaimed under his breath, and then, more loudly: "Are you people dumping that stuff into the sea, guts and all?"

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Japan bays

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The guide, somewhat puzzled by the visitor's reaction, replied uncertainly, "Yes, sir. Salmon eggs are worthless, aren't they? We just throw 'em away here."

Tashiro excitedly asked to speak with the manager, and soon was ushered into the plant office. He and the manager quickly agreed that Marubeni could purchase all it wanted of the glistening red salmon eggs.

"You people sure buy funny stuff," the plant manager told Tashiro as he prepared to leave. The manager, of course, had never crossed paths with a plate of *sujiko*, a salmon egg delicacy pleasing to the Japanese palate.

A year later, after arrival of specialized equipment and technicians to prepare the eggs for finicky consumers, Marubeni imported 100 tons of eggs, $200,000 worth, from four packers. Two years later, a Canadian packer and two more Alaska canners were signed on to meet the growing demand for *sujiko*. During the same time, other Japanese companies, goaded by the Marubeni profits, began searches for their own roe suppliers.

Although he couldn't have realized it at the time, Tashiro's chance discovery at Kodiak presaged a new era in the Alaska fishing industry.

If the salmon egg incident had occurred just a few years earlier, the Japanese government would have aborted the *sujiko* scheme while it was little more than a twinkle in Mr. Tashiro's eye, since such imports had been severely restricted.

In the early '60s, however, unsatisfied consumer demand in Japan for a variety of specialty products persuaded the government to drop some import barriers, including those on salmon roe.

Tokyo's decision on egg imports could hardly have come at a more critical time in the history of the Alaska processing business. Poor management by the federal government and avaricious plundering by the West Coast canners had reduced the industry to a shambles by the late 1950s. (The annual total of salmon canned, which reached nearly 8.5 million cases in 1936, fell to 1.5 million by 1960 despite the efforts of roughly four times as many fishermen.)

By 1964, with salmon stocks still seriously depleted after the ravaging of the '40s and '50s, many of the remaining canners were strained financially to the breaking point. Such was the scene when the Japanese arrived with intentions of boosting processor revenues by purchasing eggs, which the canners had flushed out to sea for 75 years.

Some still-operating processors who struggled through those early years of statehood say the egg sales to Japan provided the margin of profit on which they survived.

"The Japanese...saved the salmon industry because of roe. The canneries couldn't have made it without the market for roe," says Larry Salkield, attorney for Whitney-Fidalgo Seafoods, which is 99 percent Japanese-owned and one of the largest processors in Alaska today.

The stream of yen that began with egg purchases flowed steadily into the Northeast Pacific fishing industry through the mid-1960s. The major Japanese firms expanded their dealings from buying roe to the initiation of broader-ranging partnerships, or joint ventures, with American processors. Tokyo still maintained its historic overseas investment restrictions, which discouraged outright investments in or purchases of U.S. companies.

By the close of the '60s, though, Japan's foreign investment dampers became increasingly anachronistic. The governors in Tokyo found themselves confronting mounting trade surpluses, which had grown steadily in recent years and threatened to upset the world economy.

The subsequent Japanese decision to reduce the surpluses by removing obstacles to overseas investment opened the way for a flood of capital into West Coast-Alaska processing firms.

Relaxation of investment barriers came at a time when Japan's interest in Alaskan fisheries found new focuses. Japanese demand for semi-processed tanner (snow) crab sections in the early '70s enlivened that fishery to the profit of U.S. fishermen. (The snow crab catch, for example, leapt from 13 million pounds in 1971 to 61 million pounds two years later.) Also in 1971, Marubeni was again prowling for fish eggs, though this time the quarry was herring roe, a Japanese delicacy known as kazunoko.

With profitable new incentives and greater freedom to invest, Marubeni, as Japan's largest importer of marine products, eagerly committed $1 million to three American firms in mid-1972. Other companies did likewise. In 1973, Tokyo set up a government agency with the sole purpose of promoting overseas investment in fisheries.

A 1974 study by the U.S. Department of Commerce revealed that foreign investments in commercial fisheries nationwide doubled from 1970-74, with an increase of 30 percent in 1974 alone. The bulk of the investment ended up in the North Pacific fishery. The study suggested the investment surge was spurred by the increasing likelihood that the U.S. would extend its exclusive fishery zone from 12 to 200 miles.

One American processing company launched by the Japanese in 1974 was Universal Seafoods, a joint venture of the Japanese fishing firm Nippon Suisan Kaisha Ltd. and a group of Americans.

"Nippon Suisan's participation was necessary and critical for us to get started. We could not find American capital," said Richard Pace, president of Universal Seafoods and vice president of Dutch Harbor Seafoods, a second company formed by the same group two years later.

In 1976, as the Japanese had unhappily anticipated, Congress passed into law the Fishery Conservation and Management Act. Proponents argued that the 200-mile limit law was necessary to revive an anemic U.S. fishing

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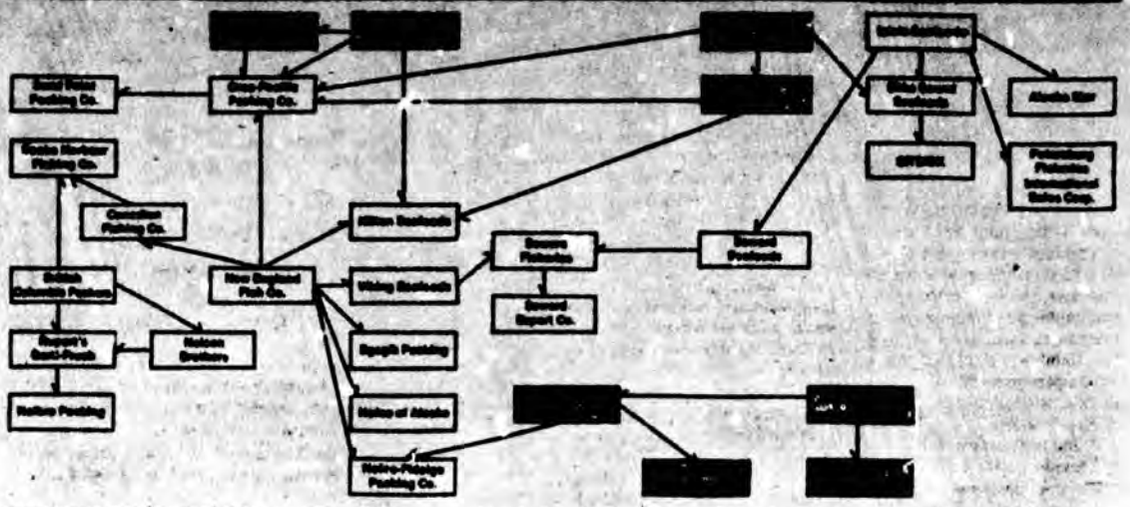
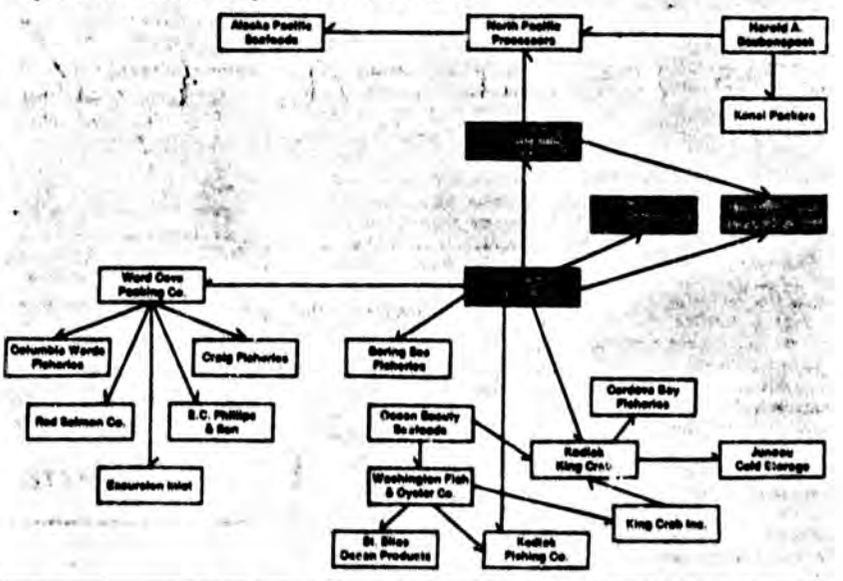


The fish processing industry in Alaska historically has been characterized by considerable interownership among the larger firms. One of the effects of substantial Japanese investment has been to bring more companies in it. These two charts show ties between the companies, which may be stock ownership, control or both. Critics of Japanese investment worry that price fixing or other monopolistic machinations are encouraged by common financial interests among so many companies. A distinction must be made between the worldwide Japanese fishing companies, such as Nichiro Gyogyo and Kyokuyo Hogei, and trading companies such as Mitsubishi International and Marubeni Corp. Since Japan's giant trading companies reportedly do not compete with one another, it is interesting to note that while the fishing companies have investments overlapping those of the trading companies, the trading companies maintain spheres of investment separate from one another.



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industry and protect the nation's marine resources from heavy foreign fishing.

Japan, traditional harvester of hundreds of millions of tons of bottomfish, crab and salmon taken within 200 miles of Alaska in the Bering Sea and Gulf of Alaska, faced the dismal prospect of eventual eviction. Worldwide, nearly half of Japan's supply of seafood swam within 200 miles of some other nation's shores. Since seafood is a basic element of the Japanese diet, the implications of the new law were staggering.

JAPAN AND THE AGE OF LIMITS

Imposition of an American 200-mile limit gave a new cast to Japanese investment in the American processing industry. Where earlier they were a desirable source of profits, the investments suddenly became a precious guarantee of future supplies of marine products.

The 200-mile limit law divided all fishery resources within 200 nautical miles of the U.S. among eight regions, each governed by a management council. Because Alaska's coastline and fisheries are so vast, they comprise a single region overseen by the North Pacific Fishery Management Council (NPFMC).

Each council is responsible for formulating and periodically revising a regional management plan, which is approved and enforced by the secretary of commerce. Councils also study the fisheries under their jurisdictions, listen to comments from various elements of the fishing industry and suggest policy to the commerce secretary.

In very simple terms, the North Pacific council annually treats each species fished commercially off Alaska as though it were an imaginary pie. Scientific data on a particular species are gathered and used to determine the size of the pie (actually how much of that species is available in the region).

The council determines the optimum yield—how much of the pie can be removed without permanently reducing the number of fish. Since American fishermen are entitled to all the fish they can catch, the council calculates how much the U.S. fleet is able to handle, and what remains becomes the foreign quota.

Based on information from the councils, the secretary of commerce ultimately decides the total allocations to foreign and domestic fishermen. The 200-mile law requires that Americans receive as large a share as they reasonably can expect to catch and process.

Once the commerce secretary decides the total foreign harvest, the secretary of state divides it among the various nations vying for a share. The law provides that the secretary of state withhold allocations from nations barring imports of American marine products. The law also dictates that a country which traditionally has fished for a certain species in an area receive preference in the final foreign allocations.

In the North Pacific, Japan is the primary traditional user.

The Japanese find this system far from ideal; it only becomes acceptable when contrasted with complete exclusion from the fishing grounds. Each year they must argue for the largest possible allocations, with no guarantee of approval.

A delegation of Japanese fishery officials, at a press conference in Washington, D.C., last August, charged that they weren't really permitted to harvest their full allotment because of various hobbling regulations imposed on their fleets.

In addition, they complained, "It is common for regional fishing interests to keep foreign allocations as low as possible through the use of inflated U.S. catch capacity claims, underestimated harvestable stock data, and reductions in allowable catch quotas based on domestic economic and political considerations, not conservation criteria."

Ultimately, Japan's fishing industry must recognize the futility of such complaints. The Japanese realize their best protection lies in control of American processors, which at least assures them a surety of supply virtually immune to any chauvinistic arbitrariness by the councils, the commerce secretary or the secretary of state.

Under the 200-mile limit law, the Japanese fishing the North Pacific must contend with a supply continually shrinking as Americans bite off a larger and larger share.

Through their shore-plant investments, which continue today, the Japanese retain a voice in what is produced from Alaskan waters, how much is produced and where it is marketed.

TOO MUCH OF A GOOD THING?

"Everybody thinks and talks about (Japanese investment in processing)," admits Dick Reynolds, fisheries development specialist with the state Division of Economic Enterprise. "We haven't kept track of the real development (of investment). In the beginning it was good, it may still be good."

Reynolds is one of the few persons in state government with any detailed knowledge of Japan's evolving role in Alaska processing. In 1974, he authored a report entitled "Japanese Investment in Alaska" in which he concluded, "...Whatever the concerns are, Japanese investment in the Alaska fishing industry has so far produced higher prices to the fisherman, money for plant expansion and product diversification, and a good market for products not currently salable in the U.S."

Reynolds estimated in the report that plants then wholly or partly owned by Japanese firms accounted for roughly 20 percent of total Alaska seafood production. Since then, he acknowledges, the investment has grown prolifically, and he has lost track of it.

Asked why the state's interest waned while the issue became increasingly significant, he explains:

"Government operates in response to people saying, 'My God, look what's happening,' and going to their legislators and telling them they want something done.

"Long-range, long-term things that happen slowly and don't make headlines get put on the back burner."

For the last two years, the Department of Fish and Game has relegated to the back burner any requests for its statistical section to compute the percentage of total seafood production represented by companies wholly or partly owned by Japanese firms. The department waves off such requests as too time-consuming, too expensive or too unimportant to bother with.

Consequently, no one knows the amount of Japanese-invested production. Educated guesses range from 65 to 85 percent of Alaska's annual total, which represents a wholesale value of roughly $250 million to $375 million.

Critics of pervasive Japanese investment, such as former state representative Ed Naughton of Kodiak, say they don't need any computer print-outs to know that the "peril point" has arrived.

"Having Japanese investment here is very good, it's a positive thing. But having only their money is not a good thing," Naughton says.

"One of my concerns is that the Japanese fishing industry is not regulated but (rather) run by the Japanese Fishery Agency (an arm of the Japanese government). We don't like them making decisions about what is going to happen here.

"I'm aware of some companies that want to get into (new) species, but they can't get permission (from the fishery agency).

"There are (joint venture) companies that have proposed larger on-shore facilities and then the Japanese (partners have) ...had to back away because they can't get permission to make the investment.

"No company (controlled by the Japanese) can make investments that will allow the Japanese quota (under the 200-mile law) to be reduced." (Remember, the greater the American fishing and processing capacity, the smaller the foreign allocation.)

"Development of a bottomfishery," one of the best worn phrases in Alaska these days, basically means construction or conversion of vessels to trawl for bottomfish, retooling of processing plants to handle the new species and cultivation of a market for U.S.-caught fish.

Fisheries specialist Reynolds, for example, agrees that the Japanese demonstrate precious little interest in bottomfish development, possibly in order to protect their quota

(continued on page 10)

Division thwarts alien disclosure law

The extent of Japanese investment in the Alaska processing industry would be far less a mystery if state government had forced companies to live up to the law.

Alaska's progressive corporate disclosure statutes require firms doing business here to reveal who owns them and what foreign ties, if any, they have. The Division of Corporations, however, has until recently elected to enforce the laws laxly or not at all.

For example, on the corporate annual report forms used by the division, the state asks companies to list "alien affiliates" and then gives the following definition for the term:

"A non-resident alien or a corporation whose place of incorporation is outside the United States."

This would scarcely seem to elicit the type of disclosure envisioned by the legislature when it decided that corporations should identify "any (alien) individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government subdivision or government" that "directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, a corporation" doing business in Alaska.

Any Alaska corporation with an alien affiliate must reveal the number of its shares held by such an affiliate.

If this statute were enforced, Japanese ownership of Alaska processors would be readily apparent in each corporation's file in Juneau. However, it appears the division of corporations has permitted compliance with the law to be voluntary.

State Rep. Terry Gardiner, D-Ketchikan, sent a letter more than a year ago to Julius J. Brecht, director of the Division of Banking, Securities and Corporations, asking why the misleading definition appeared on the annual report forms.

Wrote Gardiner, "It would appear that the definition being used by the Dept. of Commerce effectively thwarts the intent of 145 SLA 1975."

Gardiner was told that the forms had been printed two years in advance, and the definition would have to stand until the new forms were ordered. Another batch of forms was ordered this year, but they retained the same misleading definition.

When asked about this failure to change the forms, Brecht said, "This was not meant to be read as a definition. The companies are responsible for knowing what the law is and obeying it. We now have two years worth of forms due for delivery. If this turns out to be a serious problem, perhaps we can do something with the definition, like typing a message (by computer) onto the annual report forms."

More than just a few corporations take advantage of the state's unconcerned attitude by neglecting to mention alien affiliates. At the moment, the division has no method for even spot checking the reports to see if they are correct.

A second favorite corporate oversight is the law requiring companies to report every holder of 5 percent or more of its stock. This failure is readily apparent when the forms arrive in the corporations section, but seldom are the reports returned to the companies for completion.

—Dougherty

Japan bays

[continued from page 7]

under the 200-mile limit.

"It seems like there's almost been a planned effort to keep the Japanese companies from investing in any development that might encourage a shore-based trawl fishery," Reynolds said.

Tom Thompson, an owner of Icicle Seafoods in Petersburg, speculates that, "If I were the Japanese, I would probably think that (the longer it takes to develop an American bottomfishery, the better). They have lots of men and boats depending on this fishery. I don't think they'd actively try (to prevent a bottomfishery); they wouldn't come out and say it, anyway."

Clem Tillion, chairman of the NPFMC, a state senator and former fisherman, predicts "the Japanese aren't going to be pioneers (of a bottomfish industry in Alaska)...Why should they put themselves out of business?"

One difficulty in launching a bottomfishery is the presence of an economic Catch-22. The processing companies hesitate to invest in equipment to handle bottomfish until fishermen show they can catch enough fish to keep plants running near capacity. The fishermen, on the other hand, don't want to spend time and money landing fish the plants can't accommodate.

One suggested approach to dissolving the standoff involves a controversial joint venture of Alaska fishermen and a multinational Korean fishing company.

The plan—which was approved by the commerce secretary after a year's delay, much public debate and an amendment to the 200-mile law—calls for Alaska fishermen to catch and deliver pollock (the least economic bottomfish species to produce) to Korean factory ships outside U.S. territorial waters (which extend three miles from shore).

> 'If you're hurting for cash, (the Japanese) will come up and say, 'Sure, we'll give you a million dollars, but we want this and this and this at such and such and such a price.' Either you're not going to produce what they want and make nothing, or you're going to take (their) money. In fact, the Japanese come in as partners.'

The proposal seems beneficial for fishermen, who gain a waiting market with little risk on their part, and it appears advantageous for the Koreans, who annually would receive up to 130,000 metric tons of pollock in addition to their allocations from the state department. The vast majority of Alaska pollock now is caught and processed by Japanese fleets.

Not too surprisingly, the Korean plan brought rains of condemnation from powerful American processors and unhappy Japanese. Both had little or nothing to gain and something to lose from such a scheme.

Though the processors would benefit by evidence that U.S. fishermen could provide them ample quantities of bottomfish, as the Korean venture may or may not show, they feared the possibility of later having to bid against Korea or other nations for the catches of American fishermen. The processors also worried that the foreign competition could prevent the American industry from moving beyond its infancy.

The competition would be unfair, they argued, because the foreign floating factories could compete unfairly in the absence of U.S. health, safety and labor regulations.

The Japanese, in their role as American processors, complained similarly. But, even more fundamentally repugnant to them was the idea of Americans helping Koreans cart off fish that otherwise would be caught by Japanese fishermen and processed aboard *their* floating factories.

When the Korean venture was proposed to the NPFMC in early 1977, strenuous objections were raised by opponents, the most adamant of which was New England Fish Co. of Seattle (Nefco). Nefco is an American multinational that describes itself as the largest fishing company in the United States.

The North Pacific Council, under considerable pressure from the various fishing interests involved, voted to postpone any decision until a study of joint ventures could be completed.

The processors, meanwhile, launched a well-financed effort to protect themselves by amending the Fishery Conservation and Management Act. Their amendment proposed to guarantee U.S. processors—no matter who owns them—a first right of refusal to buy and process American-caught fish.

The Koreans, with a sizeable bankroll and lobbyists of their own, journeyed to Washington to fight the processors.

The *Wall Street Journal* characterized the amendment drive as "little noticed, heavily lobbied." The newspaper quoted a source on the House Merchant Marine Subcommittee as saying, "The Nefco people were everywhere. They wrote position papers. They wrote part of the committee report and they wrote some floor statements for the members, too."

Considering Nefco's ties—both directly and indirectly—to other powerful multinational corporations on the West Coast, it's subsequent victory was less than a complete surprise.

In accordance with the limitations placed on joint ventures by the new amendment, which passed this August, the secretary of commerce approved the Korean proposal and a Soviet one this fall.

"In many cases, New England Fish Co. has been active in building up an emotional storm," said NPFMC chairman Tillion. "I'm not dismissing the threat (posed by foreign factory ships operating in U.S. waters), it's just not as great as those who talk about it say. It should be watched, but there is no reason to panic. The loudest screamers in Kodiak are busy packing sac roe for the Japanese."

That certainly is true of Nefco, which is a partner with the Japanese in several fishing companies: Nefco-Fidalgo Packing Co.; Orca-Pacific Packing Co., which owns Seal Point Packing and Silver Sea Foods, which is not an Alaska firm.

Nefco's agitation over the joint ventures is understandable, though, when the stakes are kept in mind. If the Japanese can be nudged out of U.S. waters, if an American industry in bottomfish, for example, develops, and Japan's import barriers can be vaulted, then companies such as Nefco stand to make millions upon millions of dollars supplying the huge Japanese market.

At present, Nefco is pushing for congressional limits on foreign investment in processing companies, a move which runs counter to this country's historic policy favoring a free investment climate.

"Just as we would not accept a Soviet or Japanese takeover of CBS or of our coast-wide shipping industry, we believe the United States should limit the ability of foreign interests to take over the protein resources adjacent to this nation's seacoasts..." testified Nefco consultant Edward W. Furia before Congress.

"...What we are saying is that America should control the destination of its fish protein resources and obtain the full political, strategic and economic benefits of that control."

Naughton, because he hired on as a consultant to the Korean joint venture, is a controversial figure frequently accused of serving as a mouthpiece for the Koreans. However, other industry observers such as cannery worker representative Larry Cotter, echo Naughton's fears.

Cotter, president of the International Longshoremen's and Warehousemen's Alaska Council, concludes, "You can be sure the Japanese don't want to see development of an American industry because they'd be

[continued on next page]

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[continued from preceding page]

cutting their own throats."

Another problem pointed out by state fisheries expert Reynolds and Naughton concerns the dan[illegible]ve of dependence on a single market.

"In the early '70s," Naughton recalls, "the [Japanese] government collapsed and the fishing industry [in Kodiak] went into a recession. There was no market when their economy collapsed."

Reynolds adds, "We've never developed a secondary market or the ability to market a large quantity of tanner crab anywhere else. So, if we do run into an economic crunch in Japan, as happened before recently, we could really hurt our tanner crab fishery...Everytime you concentrate your market in one spot, you're leaving yourself open to trouble."

"[The Japanese] could derail the crab industry by refusing to buy," Tillion admits. "The price now is so high that the American market is limited."

Like market concentration, the concentration of ownership attending Japanese investment also poses potential problems for Alaska fishermen.

Dr. Franklin Orth, in a recent report entitled "Japanese Investment in Alaska Seafood Processing," describes the ownership characteristics of the Northeast Pacific processing industry:

"Explicit concentration in the domestic seafood processing industry is already high in some areas of [Alaska]. Ownership interties among domestic firms increases actual concentration to much higher levels. Add investments by a large Japanese fishing or trading company in several Alaska companies, and the potential for market power is further enhanced."

Marubeni's tentacular investment tendencies illustrate well the type of situation Orth outlines (see chart on Page 6).

Marubeni owns stock in four Alaska companies: Kodiak King Crab Inc., which operates two shore plants and a processing ship; North Pacific Processors Inc., which has two shore plants; Togiak Fisheries Inc., which operates a shore plant and a freezer ship; and Ward Cove Packing Co. Inc., which has one shore plant.

Kodiak King Crab in turn owns Cordova Bay Fisheries, which operates one shore plant, and Juneau Cold Storage, which has one shore plant.

North Pacific Processors owns Alaska Pacific Seafoods, which runs a single shore plant.

Ward's Cove Packing Co. apparently owns Columbia Wards Fisheries, which operates five shore plants: Craig Fisheries, which has one plant; and Excursion Inlet Packing Co., which runs one plant.

So, although Marubeni owns stock in four companies, which directly operate eight processing facilities, it actually interlinks a total of at least 18 plants statewide.

Since the state of Alaska has never undertaken to study the effects of such corporate connections, no one knows (for sure) whether competitiveness in the market is reduced as a result.

"...The fishing industry has been this way forever: control has been vested within a few major corporations," Reynolds said. "If the Japanese trading companies are not 100 percent competitive among themselves, in other words, if their method of business operation is to carve out a niche that's not encroached on by another trading company, then you don't have the competition that you're looking for."

Dr. George Rogers, a Juneau economist who has written extensively on the Alaska fishing industry and is familiar with business operations in Japan, explained this about the huge Japanese trading companies:

"They have strict territories that they agree on among themselves. They have the whole world mapped out, and they don't compete with each other. I imagine they would probably do the same with processors in Alaska. My impression is that they would not have fishermen going back and forth between them selling to the one that gives them the best price."

It should be noted that all the Japanese firms operating in Alaska are not trading companies, which are very large, highly diversified multinational corporations. The two main trading companies active in the Alaska seafood industry are Marubeni Corp. and Mitsubishi International, supposedly the largest corporation in the world.

The other Japanese firms are primarily worldwide fishing companies. Since generally it is under[illegible] that the fishing companies [illegible] the trading companies are antagonistic competitors, [illegible] important not to lump them together as simply *the Japanese*, assuming a unilateral purpose or point of view.

"As far as whether Japanese investment is good or bad, I think you have to look at the people who make the investment. I would say some of the trading companies have not done so well for the industry," suggested Whitney-Fidalgo executive Salkield, who steadfastly refused to elaborate on his remark. (Whitney-Fidalgo is owned 99 percent by Kyokuyo Hogei, a Japanese fishing company.)

Although no one interviewed by the *Advocate* could substantiate any charges of illegal oligopsony (market control resulting from a limited number of buyers) in Alaska processing, at least one of the major Japanese trading companies operating here has recently been accused of corporate hanky-panky in the North. A Los Angeles grand jury last month indicted Marubeni Corp. in connection with a bribe-kickback scam involving an employee of the Anchorage Telephone Utility. The telephone company buys materials from Marubeni.

State labor officials recently launched an investigation into charges that Japanese roe technicians regularly exceed the limits of their alien work visas. (Advocate, Aug. 24, 1978) The probe began in response to urging by union official Cotter, who represents some 3,000 Alaska workers, including processor employees.

The alien work visas, which are issued by both the Immigration and Naturalization Service and the State Department, restrict the foreign workers to specific tasks that employers

[continued on page 19]

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Japan boys

[continued from page 10]

are unable to fill with Americans.

Since Japan has been the sole market for Alaska salmon roe, the Japanese buyers used that leverage to demand that processing of roe be overseen by Japanese technicians.

Local union spokesmen and state labor officials don't object to the Japanese supervisors, but they strongly object to use of Japanese in relatively unskilled jobs that could be filled by Alaskans.

In a letter to Sen. Mike Gravel's office, Cotter wrote:

"...Whether through lack of knowledge, industriousness, or lack of direction from the companies, the Japanese are almost continually working beyond the boundaries of their (U.S. visa) jurisdiction—and it seems impossible to stop them.

"I have seen them working on Saturdays when there were no Americans in the plant, loading vans with roe cartons, making boxes, loading the freezers in the cold storages, driving fork lifts, packing eggs in the boxes, and, just last week in a cold storage in Ketchikan, working on a fish aliming line.

"If you are aware of the general wages for fish workers in the state, and the extreme seasonality of their occupation—and the unemployment in the state—every extra bit of work, and every extra job makes a big difference."

The state so far has not released any conclusions drawn from its investigation.

LOOKING OUT FOR NUMBER ONE

"People can look at these conspiracy theories and say, 'Hey, that guy's off the wall,'—and maybe I am off the wall—but I'm just saying these things could happen and we have to look at them and see that they don't happen," concludes union official Cotter at the end of one of his periodic sermons on foreign investment.

If there is any recurring theme among the people with some detailed knowledge of the evolution of the Alaska seafood business, it is just what Cotter suggests: the industry is changing, but no one knows exactly how or understands what effect these changes will have on the day-to-day lives and livelihood of Alaskans; the only way to protect the state's interests is to find out what is happening.

"If we are going to look after anybody, then we are going to have to look after Old Number One," as Naughton says.

True to bureaucratic form, state government reacted ponderously to "things that happen slowly and don't make headlines..."

Neither Jim Edenso, the governor's bottomfish coordinator, nor Chuck Meacham, Gov. Hammond's assistant for international fisheries and external affairs, has any comprehensive profile of the processing industry generally or Japanese investment specifically, even though such information bears directly on their areas of responsibility.

When first interviewed about Japanese investment two months ago, Meacham said the administration has "not singled out any nation to give attention to (regarding investments in Alaska processing)." However, in a second interview a month later, he said, "I have initiated requests for this information to be gathered in a usable form...I think it only correct that the state administration should have available to it the true ownership of companies that operate in the state of Alaska."

Meacham said he asked the Department of Commerce and Economic Development as well as the Department of Revenue to provide him the information. He could not predict how soon the agencies might complete the task in the face of post-election administrative reorganization.

If somewhat overdue, the information is needed now as much as ever. With the state bounding forward with plans to do all within its power to nurture a bottomfish industry, it is appropriate that the administration understand clearly who will benefit and how to maximize the benefits to Alaskans.

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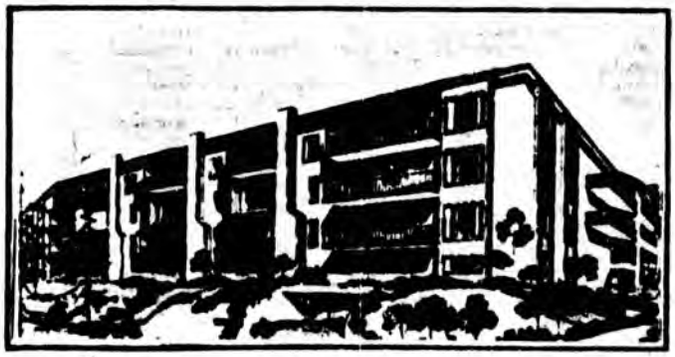

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DESCRIPTION: NEWSPAPER

ALASKA FISHERMAN, VOLUME 6, NUMBER 2
OCTOBER 1978 PAGE 1

"JAPANESE SEAFOOD INVESTMENT CLIMBS"

"WHO OWNS ALASKA PROCESSORS?"

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

POUCH D
JUNEAU, ALASKA 99811

August 15, 1979

Honorable Fred F. Zharoff
Box 405
Kodiak, Alaska 99615

Dear Representative Zharoff:

Please find enclosed a copy of the most recent computer search of the corporation files for corporations which, in their last annual report, indicated that they had foreign affiliates.

We discussed an earlier computer run that was made approximately six months ago. The enclosed computer run is based on annual reports that were received for the year 1978.

Please do not hesitate to contact me if you have any questions concerning this listing.

Sincerely,

Julius J. Brecht
Director

JJB/cw3/5

Enclosure

08-H14LH

FILE NUMBER	NAME	FOREIGN AFFILIATES
06008-F	A.I. CREDIT CORP.	Y
08006-F	AL WELDING PRODUCTS, INC.	Y
03261-F	AMCA INTERNATIONAL CORPORATION	Y
I3376-D	A & P AMERICA & PACIFIC TOURS, INC.	Y
09716-D	ABC ALASKA BROADCASTING CORPORATION	Y
04598-F	ADRIA LABORATORIES INC.	Y
04017-F	ADVANCE AIR FREIGHT, INC.	Y
03492-F	AGIP PETROLEUM CO., INC.	Y
08770-D	AL-AQUITAINE EXPLORATION LTD.	Y
I8293-D	AL-ASKA TRADING CO., LTD.	Y
03039-D	ALASKA BARGE AND TRANSPORT, INC.	Y
19550-D	ALASKA BAY FISHERIES, INC.	Y
00394-D	ALASKA EMPIRE GOLD MINING COMPANY	Y
09131-D	ALASKA EXPLOSIVES LTD.	Y
10979-D	ALASKA GENERAL TRADE, INC.	Y
04858-F	ALASKA GOLD COMPANY	Y
07289-D	ALASKA INTERSTATE COMPANY	Y
02808-D	ALASKA LUMBER & PULP CO, INC.	Y
02718-D	ALASKA OVERLAND, INC.	Y
03012-F	ALASKA PACKERS ASSOCIATION, INC.	Y
01846-F	ALASKA PULP AMERICA, INC.	Y
I9003-D	ALASKA SYSTEMS ENGINEERING, INC.	Y
19723-D	ALASKA WILDERNESS RECREATION, LTD.	Y
05722-D	ALASKAN COACHWAYS LIMITED	Y

CORPORATIONS WITH FOREIGN AFFILIATES

FILE NUMBER	NAME	FOREIGN AFFILIATES
13798-D	ALASKAN MARINE PRODUCTS, INC.	Y
07463-D	ALASKCO U.S.A., LTD.	Y
04339-F	ALEXANDER & ALEXANDER INC.	Y
05525-F	ALL RISK MANAGEMENT SERVICES, INC.	Y
02512-F	ALLIED CHEMICAL CORPORATION	Y
04644-F	ALLIS-CHALMERS CORPORATION	Y
15992-D	ALYU MINING CORPORATION	Y
05187-F	AMERICAN APPRAISAL ASSOCIATES, INC.	Y
05600-F	AMERICAN HOIST & DERRICK COMPANY	Y
05469-F	AMERICAN HOSPITAL SUPPLY CORPORATION	Y
03256-F	AMERICAN SEATING COMPANY	Y
03066-F	AMERICAN STANDARD INC.	Y
02969-F	AMERON, INC.	Y
04218-F	AMFAC DISTRIBUTION CORPORATION	Y
04939-F	AMFAC FOODS, INC.	Y
04751-F	AMFAC HOTELS AND RESORTS, INC.	Y
04236-F	AMFAC MORTGAGE CORPORATION	Y
02033-F	AMOCO PRODUCTION COMPANY	Y
05934-F	AMPEX CORPORATION	Y
05355-F	THE ANACONDA COMPANY	Y
05784-D	ANCHORAGE REFUSE, INC.	Y
05172-D	ANDERSEN'S BUILDING CO., INC.	Y
18840-D	ANGLO NABORS 22-D, INC.	Y
17960-D	AQUATIC ENVIRONMENTS, INC.	Y

REPORT RPT-DBK-1300
PROGRAM DBH-1300
DATE 05/08/79
TIME 08:55:30

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PAGE 3

FILE NUMBER	NAME	FOREIGN AFFILIATES
03450-F	ARABIAN SHIELD DEVELOPMENT COMPANY	Y
04603-F	ARMCO INC.	Y
01296-F	ASARCO INCORPORATED	Y
05378-F	ASHLAND EXPLORATION, INC.	Y
02314-F	ASHLAND OIL, INC.	Y
04492-D	ATCO STRUCTURES, INC.	Y
02500-F	ATLANTIC RICHFIELD COMPANY	Y
04650-D	AUSTRALASKA CORPORATION	Y
04257-F	B P ALASKA EXPLORATION INC.	Y
02280-F	BP ALASKA INC.	Y
03730-F	BP COMMUNICATIONS ALASKA, INC.	Y
04738-F	BP PIPELINES INC.	Y
03381-D	B & R TUG AND BARGE, INC.	Y
02720-F	BACHE HALSEY STUART SHIELDS INCORPORATED	Y
04232-F	BALDWIN PIANO & ORGAN COMPANY	Y
05826-F	BALLENGER CORPORATION	Y
12077-D	BANISTER PIPELINES ALASKA, INCORPORATED	Y
01545-F	BECHTEL CORPORATION	Y
05397-F	BECKER DRILLS INC.	Y
05016-F	BECKMAN INSTRUMENTS, INC.	Y
04631-F	BELUGA COAL COMPANY	Y
14936-D	BENNETT ALASKA CORPORATION	Y
03716-F	BERING, INC.	Y

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FILE NUMBER	N A M E	FOREIGN AFFILIATES
11593-D	BERING SEA TRANSPORTATION CORPORATION	Y
14484-D	BERTRAM DRILLING LTD. OF ALASKA	Y
02723-F	BETHELHEM STEEL CORPORATION	Y
03524-F	BLACK, SIVALLS & BRYSON, INC.	Y
03379-F	BRIDGER PETROLEUM CORPORATION	Y
03675-F	BRITISH STEEL CORPORATION INC.	Y
04423-F	BUFCO, INC.	Y
05050-F	BURGER KING CORPORATION	Y
04421-F	THE BURKE COMPANY	Y
05532-F	BURLINGTON NORTHERN AIR FREIGHT, INC.	Y
01299-F	BURROUGHS CORPORATION	Y
09487-D	C-D DEVELOPMENT CORPORATION	Y
03656-F	C & K PETROLEUM, INC.	Y
03373-F	C M INC.	Y
03989-F	C N R RESOURCES, INC.	Y
02005-F	C T CORPORATION SYSTEM	Y
20441-D	CAMERO TRADING, INC.	Y
02773-F	CAMERON IRON WORKS, INC.	Y
04388-F	J. K. CAMPBELL & ASSOCIATES LIMITED	Y
02906-F	CANADIAN EQUIPMENT SALES & SERVICE CO., LTD.	Y
02668-F	CANADIAN FREIGHTWAYS LTD.	Y
00246-F	CANADIAN PACIFIC LIMITED	Y
03147-F	CANADIAN SUPERIOR OIL (U.S.) LTD.	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
06017-F	CANADIAN SUPERIOR MINING (U.S.) LTD.	Y
15618-D	CANAMET ALASKA SALES, INC.	Y
04991-F	CANEVEX INC.	Y
03636-F	CANFARGE, LTD.	Y
03370-F	CANTEEN CORPORATION	Y
20253-D	CANTON, INC.	Y
20233-D	CANTON RESTAURANT, INC.	Y
05607-F	CAPACITY MANAGERS INTERNATIONAL, INC.	Y
17210-D	CARLETON MANAGEMENT, INC.	Y
02670-F	CASTLE & COOKE, INC.	Y
05985-F	CATHODIC PROTECTION SERVICES, INC.	Y
06081-F	CCH RESOURCES INC.	Y
04944-F	CHALLENGER DRILLING INC.	Y
17205-D	CHENA SALES, INC.	Y
04331-F	CHICAGO PNEUMATIC TOOL COMPANY	Y
06121-F	CHIYODA INTERNATIONAL CORPORATION	Y
03546-F	CHRYSLER REALTY CORPORATION	Y
03015-F	CITIES SERVICE MINERALS CORPORATION	Y
02519-F	CLEARY PETROLEUM CORPORATION	Y
03203-F	COASTAL MINING COMPANY	Y
02671-F	COLT INDUSTRIES OPERATING CORP.	Y
02904-F	COMBUSTION ENGINEERING, INC.	Y
04543-F	CUMINCO AMERICAN INCORPORATED	Y
06753-D	COMMERCIAL MORTGAGE CORPORATION OF ALASKA	Y

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FILE NUMBER	N A M E	FOREIGN AFFILIATES
05707-F	COMPAGNIE GENERALE DE GEOPHYSIQUE, INC.	Y
02130-F	CONOCO INC.	Y
03510-F	CONSOLIDATED OIL & GAS, INC.	Y
04794-F	COOPER INDUSTRIES, INC.	Y
11941-D	CORDOVA BAY FISHERIES, INC.	Y
04805-F	COREXCAL, INC.	Y
02156-F	COSMOPLITAN DEVELOPMENT CORPORATION	Y
05553-F	COUNTRY PRIDE FOODS, INC.	Y
01437-F	CRANE CO.	Y
05317-F	CREOLE PRODUCTION SERVICES, INC.	Y
03818-F	CROWDER COMMUNICATIONS, LTD.	Y
04330-F	CROWN ZELLERBACH CORP.	Y
03088-F	CUMMINGS INCORPORATED, THE INTERNATIONAL SIGN SERVICE	Y
02960-F	CYPRUS MINES CORPORATION	Y
03508-F	DAON CORPORATION	Y
15737-D	DEA EUN COMPANY OF ALASKA, LTD.	Y
03037-F	DEL MONTE SALES COMPANY	Y
18760-D	DENA DRILLING, INC.	Y
04000-F	DENNISON MANUFACTURING COMPANY	Y
04375-F	DENNY'S INC.	Y
07655-D	DIGICON ALASKA, INC.	Y
04857-F	DIGICON GEOPHYSICAL CORP.	Y
05342-F	DILLINGHAM CORPORATION	Y

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CORPORATIONS WITH FOREIGN AFFILIATES

FILE NUMBER	NAME	FOREIGN AFFILIATES
05863-F	DOME EXPLORATION (U.S.) LIMITED	Y
03304-F	DOME PETROLEUM CORP.	Y
05974-F	DOMTAR INDUSTRIES, INC.	Y
03547-F	DORR-OLIVER INCORPORATED	Y
02777-F	THE DOW CHEMICAL COMPANY	Y
02941-F	DRAVO CORPORATION	Y
02898-F	DRESSER INDUSTRIES, INC.	Y
04523-F	DUNLOP TIRE AND RUBBER CORPORATION	Y
00476-F	E.I. DU PONT DE NEMOURS AND COMP.	Y
05315-F	DUTCH HARBOR SEAFOODS, LTD.	Y
04266-F	DUTY FREE SHOPPERS	Y
04602-F	DUVAL CORPORATION	Y
06034-F	E & B EXPLORATIONS LTD.	Y
05553-F	EFT DATA SERVICES INC.	Y
04692-F	E SYSTEMS, INC.	Y
02673-F	EARL AND WRIGHT, INC.	Y
02452-F	EASON OIL COMPANY	Y
05185-F	EASTMAN KODAK COMPANY	Y
05305-F	EBASCO SERVICES INCORPORATED	Y
04704-F	ECOLOGY AND ENVIRONMENT, INC.	Y
05980-F	ECONOMICS LABORATORY, INC.	Y
05324-F	ELECTRONIC DATA SYSTEMS CORPORATION	Y
19486-D	ELJIM ENTERPRISES INC.	Y
05095-F	ETHYL CORPORATION	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
04635-F	EUTECTIC CORPORATION	Y
05044-F	EVANS FINANCIAL CORP.	Y
03925-F	EVANS PRODUCTS COMPANY	Y
05144-D	EVERGREEN HELICOPTERS OF ALASKA, INC.	Y
19666-D	EXPRESS SERVICES, INC.	Y
04312-F	EXXON CORPORATION	Y
03415-F	FALCON TRANSPORT, LTD.	Y
01895-F	FEDERAL ELECTRIC CORPORATION	Y
19614-D	FERNANDES CORPORATION	Y
02938-F	THE FIRESTONE TIRE & RUBBER COMPANY	Y
14841-D	FIRST ALASKA INVESTORS, INC.	Y
19880-D	FIVE VILLAGES MERCANTILE, INC.	Y
14457-D	FLUOR ALASKA, INC.	Y
04371-F	THE HOWARD P. FOLEY COMPANY	Y
02648-F	FORD MOTOR COMPANY	Y
01242-F	FOREMOST-MCKESSON, INC.	Y
02053-F	FOREST OIL CORPORATION	Y
04809-F	FRANKLIN SUPPLY COMPANY	Y
05595-F	FRONTIER RESOURCES, INC.	Y
04982-F	FURMANITE AMERICA, INC.	Y
04419-F	GAB BUSINESS SERVICES	Y
05774-F	G.M. GEST, INC.	Y
05141-F	GARLOCK INCORPORATED	Y
05478-F	GEARHART-OWEN INDUSTRIES, INC.	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
[illegible]	GENERAL AMERICAN OIL COMPANY OF TEXAS	Y
05975-F	GENERAL ELECTRIC INFORMATION SERVICES COMPANY, INC.	Y
04297-F	GENERAL MOTORS CORPORATION	Y
02288-F	GENERAL PETROLEUM INC.	Y
03947-F	GENERAL TELEPHONE DIRECTORY CO.	Y
13892-D	GENE'S ENTERPRISES, INC.	Y
04002-F	GENEVA-PACIFIC CORPORATION	Y
05988-F	GENSTAR CONSTRUCTION INC.	Y
13977-D	GEOPOL, INC.	Y
05820-F	GEOREX, INC.	Y
03274-F	GEORGIA-PACIFIC CORPORATION	Y
03057-F	GETTY OIL COMPANY	Y
14227-D	GOLDIE'S, INC.	Y
01236-F	B. F. GOODRICH COMPANY, INC.	Y
02742-F	W. R. GRACE & CO.	Y
04397-F	GREAT WEST STEEL INDUSTRIES, INC.	Y
04123-F	GREYHOUND LEASING & FINANCIAL CORPORATION	Y
04215-F	GRINNELL FIRE PROTECTION SYSTEMS COMPANY INC.	Y
02353-F	GULF OIL CORPORATION	Y
03653-F	H & R BLOCK, INC.	Y
19792-D	H & W ALASKA, INC.	Y
02075-F	HALLIBURTON COMPANY	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
[illegible]-F	HANNA MINING COMPANY, THE	Y
05118-D	HARBOR SEAFOODS CO., INC.	Y
10316-D	RICHARD E. HARDWICK &ASSOCIATES, INC.	Y
15639-D	HARDWOODS, INC., ALASKA	Y
05661-F	R.M. HARDY & ASSOCIATES LTD.	Y
09029-D	HARTOG OIL, INC.	Y
06103-F	HARZA ENGINEERING COMPANY	Y
13894-D	HATCHER PASS LAND COMPANY INCORPORATED	Y
15193-D	HATRICK ENTERPRISES INC.	Y
03894-F	HAUSERMAN, INC.	Y
14907-D	HERBERT INDUSTRIES INC.	Y
02821-F	HERCULES INCORPORATED	Y
06036-F	HEWLETT-PACKARD COMPANY	Y
05277-F	HILLS BROS. COFFEE, INC.	Y
02488-F	HOLIDAY INNS, INC.	Y
04837-F	HOLLINGSWORTH-WILEY CORPORATION	Y
04558-F	HOME PETROLEUM CORPORATION	Y
14831-D	HONG KONG, INC.	Y
05889-F	HOOPER HOLMES, INC.	Y
02713-F	HUSKY OIL COMPANY	Y
04988-F	HYDRIL COMPANY	Y
03465-F	HYDRO CONDUIT CORPORATION	Y
02242-F	IDEAL BASIC INDUSTRIES, INC.	Y
03096-F	IDEAL CEMENT COMPANY	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
[illegible]	IDEAL CEMENT COMPANY	Y
13879-D	INLAND EMPIRE LEASING CORPORATION	Y
16352-D	INTERNATIONAL GIFT SHOP, INC.	Y
04466-F	INTERNATIONAL IN-FLIGHT CATERING COMPANY, LTD.	Y
10195-D	IRON ORE COMPANY OF ALASKA	Y
05611-F	ITEL CORPORATION	Y
04317-F	C. ITOH & CO. (AMERICA) INC.	Y
03228-F	ITT CONTINENTAL BAKING COMPANY	Y
05421-F	JOHNSON-BYERS, INC.	Y
05764-F	KAISER ENGINEERS, INC.	Y
19001-D	KANASKA GOLD, INC.	Y
16283-D	KAPS TRANSPORT (ALASKA), INC.	Y
04989-D	KAPS TRANSPORT, INC.	Y
15802-D	KAY, CHRISTIE, FULD & SAVILLE, A PROFESSIONAL CORPORATION	Y
03391-F	KENTING, INC.	Y
04487-F	KENTRON INTRNATIONAL, INC.	Y
01760-F	KERR-MCGEE CORPORATION	Y
02706-F	KIMBERLY-CLARK CORPORATION	Y
04366-F	KINNEY SHOE CORPORATION	Y
19053-D	KLASSEN ENGINE CO.	Y
12110-D	KLONDIKE PLACER GOLD CORPORATION	Y
02949-D	KLUKWAN IRON ORE CORPORATION	Y
03110-F	KOBE, INC.	Y

FILE NUMBER	N A M E	FOREIGN AFFILIATES
11628-D	KODIAK FISHING COMPANY	Y
11627-D	KODIAK KING CRAB, INC.	Y
11421-D	KODIAK LUMBER MILLS, INC.	Y
19281-D	KYOKKO SUISAN ALASKA, INC.	Y
19583-D	LGL ALASKA INC.	Y
05758-F	L M ERICSSON TELECOMMUNICATIONS, INC.	Y
14621-D	LAURENTIDE ENTERPRISES INC.	Y
02155-F	LEWIS REFRIGERATIONCO.	Y
05106-F	LIBBY, MCNEILL & LIBBY, INC.	Y
05766-F	LINCOLN MANSON INC.	Y
20260-D	LINTH ALASKA, LTD.	Y
03715-F	LOR, INC.	Y
02356-F	LORAM CONSTRUCTION INC.	Y
09939-D	LOST RIVER ALASKA CORPORATION	Y
03945-F	LOST RIVER MINING CORPORATION LIMITED	Y
02872-F	THE LOUISIANA LAND AND EXPLORATION COMPANY	Y
07779-D	LUTAK TRADING AND STEVEDORING, INC.	Y
03644-F	LYON ASSOCIATES, INC.	Y
04687-F	MAJESTIC WILEY CONTRACTORS LIMITED	Y
19459-D	MANNINGS ALASKA, INC.	Y
14626-D	MAPLELEAF, INC.	Y
02637-F	MARATHON CHEMICAL COMPANY	Y
02003-F	MARATHON OIL COMPANY	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
02562-F	MARATHON PETROLEUM COMPANY	Y
02644-F	MARATHON PIPE LINE COMPANY	Y
20278-D	MARATHON REFINING COMPANY	Y
03238-D	MARINE PRODUCTS, INC.	Y
04892-F	MARSH & MCLENNAN INC. OF ALASKA,	Y
11137-D	MARTINSEN & COMPANY, INC.	Y
03556-F	MARUBENI ALASKA SEAFOODS, INC.	Y
02713-F	MARUBENI AMERICA CORPORATION	Y
01642-F	J. RAY MCDERMOTT & CO., INC.	Y
03412-F	MCGRAW EDISON COMPANY	Y
15191-D	WILLIAM M. MERCER SECURITIES CORPORATION	Y
05496-F	MERIVALE PRODUCTS INC.	Y
02147-F	MERRILL LYNCH LIFE AGENCY, INC.	Y
03712-F	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	Y
02928-F	MERRILL LYNCH RELOCATION MANAGEMENT INC.	Y
05362-F	MESA PETROLEUM CO.	Y
05447-F	MIDCON PIPELINE EQUIPMENT CO.	Y
03044-F	MILBAR HYDRO-TEST, INC.	Y
03167-F	MITSUBISHI GAS CHEMICAL COMPANY, INC.	Y
04538-F	MITSUBISHI INTERNATIONAL CORP.	Y
02838-F	MOBIL ALASKA PIPELINE COMPANY	Y
05350-F	MOBIL CHEMICAL CORPORATION	Y
	MOBIL CORPORATION	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
06113-F	MOBIL-GC CORPORATION	Y
02277-F	MOBIL OIL CORPORATION	Y
04446-F	MOBILE OIL TELCOM LTD.	Y
03257-F	MONTGOMERY WARD & CO., INC.	Y
04496-F	MORFLOT FREIGHTLINERS, INC.	Y
03325-F	MORPAC, INC.	Y
19577-D	MOSER AND SWEATLAND, INC.	Y
04403-F	MOTOROLA, INC.	Y
15025-D	MULDOON MOBILE HOME SALES, INC.	Y
19176-D	MURRAY PACIFIC METALS & SUPPLY CORPORATION OF ALASKA	Y
06078-F	THE L. E. MYERS CO.	Y
05839-D	NABORS ALASKA DRILLING, INC.	Y
17365-D	NABORS MANAGEMENT SERVICE CORPORATION	Y
01145-F	NEW ENGLAND FISH COMPANY	Y
07228-D	NEW ENGLAND FISH COMPANY OF ALASKA	Y
18193-D	NEW MARUZEN OIL OF ALASKA, INC.	Y
02774-F	NEWMONT OIL COMPANY	Y
04854-F	NICHIRO PACIFIC, LTD.	Y
03876-F	NISSHO-IWAI AMERICAN CORPORATION	Y
09309-D	NORTH OIL INC.	Y
01817-D	NORTH PACIFIC MARINE SERVICE, INC.	Y
06096-F	NORTHEAST PETROLEUM CORPORATION	Y
13761-D	NORTHERN LIGHT TIMBER COMPANY	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
[illegible]	NORTHERN ROYALTIES, INC.	Y
19980-D	NORTHERN SEAFOODS, INC.	Y
06119-F	NORTHERN TELECOM, INC.	Y
05118-F	NORTHERN TELECOM SYSTEMS CORPORATION	Y
05398-F	NORTHLAND MAINTENANCE CO.	Y
06067-F	NORTHLAND PRODUCTS, INC.	Y
01395-F	NORTHWEST AIRLINES, INC.	Y
05051-F	NORTHWEST PIPELINE CORPORATION	Y
02611-F	NORTHWEST TERMINALS LTD.	Y
17197-D	NUERA RECLAMATION CO., INC.	Y
16515-D	OB-GYN ASSOCIATES A PROFESSIONAL CORPORATION	Y
03598-F	O P I LTD.	Y
04365-F	OCEANEERING INTERNATIONAL, INC.	Y
05280-F	ODECO (U.K.) INC.	Y
02598-F	OFFSHORE NAVIGATION, INC.	Y
02647-F	OLIVETTI CORPORATION OF AMERICA	Y
05308-F	THE OLSTEN CORPORATION	Y
19749-D	OMNI RESOURCES (U.S.), INC.	Y
06937-D	ORCA-PACIFIC PACKING COMPANY	Y
01743-F	OTIS ELEVATOR COMPANY	Y
02872-F	OTIS ENGINEERING CORPORATION	Y
04599-F	P-H OILFIELD EQUIPMENT LIMITED	Y
20203-D	PAC-SEA COMPANY, D.I.S.C.	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
[illegible]-F	PACIFIC ARCHITECTS & ENGINEERS, INC.	Y
03962-D	PACIFIC AND ARCTIC PIPELINES INC.	Y
00039-F	PACIFIC AND ARCTIC RAILWAY AND NAVIGATION COMPANY	Y
01273-F	PACIFIC GAMBLE ROBINSON CO.	Y
[illegible]-F	PACIFICO CREATIVE SERVICE, INC.	Y
11974-D	PAN CENTRAL ALASKA, INC.	Y
03936-F	PAN CENTRAL EXPLORATIONS LIMITED	Y
05869-F	PANAFAX CORPORATION	Y
06020-F	PANASONIC WEST, INC.	Y
03060-F	PANCANADIAN PETROLEUM COMPANY	Y
05402-F	PATHFINDER MINES CORPORATION	Y
08892-D	PEMBINEX PETROLEUM, INC.	Y
06068-F	M/V PENGWIN, INC.	Y
03116-F	PENNZOIL COMPANY	Y
04653-F	PERINI CORPORATION	Y
04688-F	PERMANENT CONCRETE INC.	Y
05518-F	PHOENIX RESOURCES COMP.	Y
03666-F	PICKER CORP.	Y
02496-F	PINKERTON'S, INC.	Y
07091-D	PIONEER ALASKA EXPRESS, INC.	Y
04843-F	PIPE LINE TECHNOLOGISTS, INC.	Y
01626-F	PITNEY BOWES INC.	Y
08528-D	PIZZA HUTS OF ANCHORAGE, INC.	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
01955-F	PLACER AMEX INC.	Y
02622-F	POLAR LNG CORP.	Y
04354-F	POLAROID CORPORATION	Y
02836-F	PONY EXPRESS, INC.	Y
03310-F	"POTTER DISTILLERIES, INC."	Y
02331-F	PRINCIPAL INVESTORS CORPORATION	Y
03075-F	RANGER OIL COMPANY	Y
02377-F	RAYMOND INTERNATIONAL BUILDERS, INC.	Y
18590-D	REED SHAW STENHOUSE INC. OF ALASKA	Y
02962-F	REPUBLIC STEEL CORPORATION	Y
09520-D	RESOURCE ASSOCIATES OF ALASKA, INC.	Y
05229-F	R.J. REYNOLDS TOBACCO COMPANY	Y
05273-F	RITCHIE BROS. AUCTIONEERS INC.	Y
06723-F	RIVERSIDE TIMBER & MINING CO.	Y
04363-F	ROCKWELL INTERNATIONAL CORPORATION	Y
18759-D	ROYAL COMMERCE, INC.	Y
01742-F	RUST ENGINEERING COMPANY, THE	Y
16169-D	S. A. PACKERS, INC.	Y
05706-F	SGS CONTROL SERVICES INC. INC.	Y
01519-F	SAFEWAY STORES, INCORPORATED	Y
01438-F	ST. EUGENE MINING CORPORATION LIMITED	Y
20214-D	SANKO INTERNATIONAL SHIPPING (AMERICA), INC.	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
	SANSUI ELECTRONICS CORPORATION	Y
02554-F	SANTA FE INTERNATIONAL CORPORATION	Y
03284-F	SANTA FE PIPELINE CONSTRUCTION CO.	Y
06083-F	SCHINDLER HAUGHTON ELEVATOR CORPORATION	Y
05631-F	SCIENCE MANAGEMENT CORPORATION	Y
05492-F	SCIENTIFIC CONTROL SYSTEMS NORTH AMERICA LIMITED	Y
05021-F	SCIENTIFIC DRILLING CONTROLS (INC.)	Y
09667-D	SEA-CATCH, INCORPORATED	Y
06205-D	SEA-LAND FREIGHT SERVICE, INC.	Y
19099-D	SEA PRODUCTS EXPORT COMPANY	Y
01308-F	SEARS, ROEBUCK AND CO.	Y
05162-F	SHELL MOTORIST CLUB, INC.	Y
01730-F	SHELL OIL COMPANY	Y
08225-D	SIEBENS OIL & MINERALS, INC.	Y
06071-F	SILVERADO MINES LTD.	Y
02617-F	SINGER COMPANY, THE	Y
11971-D	SITKA DOMESTIC INTERNATIONAL SALES CORPORATION	Y
04703-F	SITMAR CRUISES, INC.	Y
19695-D	SKAGWAY CAR RENTALS, INC.	Y
08119-D	SKAGWAY TERMINAL COMPANY	Y
02168-F	SNAP-ON TOOL CORP.	Y
02243-F	SOCONY MOBIL COMPANY INC.	Y
06007-F	SOHIO CONSTRUCTION COMPANY	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
04539-F	SOHIO NATURAL RESOURCES COMPANY	Y
03930-F	SOHIO PIPE LINE COMPANY	Y
07693-D	SOUTH-CENTRAL TIMBER DEVELOPMENT, INC.	Y
13925-D	SOUTHILL INC.	Y
05325-F	"SPANTEC, INC."	Y
03587-F	SPERRY RAND CORPORATION	Y
19928-D	SPRINGSHAW CONSTRUCTION CO.	Y
04527-F	STANLEY HOME PRODUCTS, INC.	Y
05718-F	STAR OIL & GAS CORPORATION	Y
14298-D	STEPHAN LAKE ADVENTURES, INC.	Y
02464-F	SUMITOMO METAL AMERICA INC.	Y
04952-F	SUN CHEMICAL CORPORATION	Y
05576-F	SUNLITE INTERNATIONAL INC.	Y
04862-F	SUPERINTENDENCE COMPANY (CANADA) LTD.	Y
02604-F	SUPERIOR OIL COMPANY, THE	Y
04697-F	SWECO, INC.	Y
03333-F	SWIFT & CO.	Y
04143-D	SWITZERLAND, INC.	Y
04917-F	T C O RESOURCES CORPORATION U.S. INC.	Y
05134-F	TMT CORP.	Y
20255-D	TAMAAN, INC.	Y
13275-D	TANANA MECHANICAL, INC.	Y
03589-F	TELE-TRIP COMPANY, INC.	Y

NUMBER	NAME	FOREIGN AFFILIATES
[illegible]	TELEDYNE INDUSTRIES, INC.	Y
14525-D	TERRA-FLEX EXPLORATION SUPPLY, INC.	Y
05127-F	TEXAS INSTRUMENTS INCORPORATED	Y
04501-F	TEXASGULF INC.	Y
04273-F	TEXASGULF WESTERN INC.	Y
03812-F	THOMSON MCKINNON SECURITIES INC.	Y
06033-F	THYSSEN MINING CONSTRUCTION, INC.	Y
00618-D	TONGASS POWER & LIGHT COMPANY	Y
17859-D	TRACK VEHICLES OF ALASKA, INC.	Y
08235-D	TRANS NORTHERN RESOURCES, INC.	Y
02269-F	TRANSAMERICA CORPORATION	Y
06004-F	TRANSFRESH CORPORATION (ALASKA)	Y
04793-F	TRANSPORT INTERNATIONAL POOL, INC.	Y
03430-F	TREND EXPLORATION LIMITED	Y
17744-D	TRI-CON MINING INC.	Y
10198-D	TRIANGLE, INC.	Y
19313-D	UIC CONSTRUCTION, INC.	Y
05323-F	UMA ENGINEERS, INC.	Y
04073-F	URSA POLARIS DEVELOPMENT CORP.	Y
06085-F	UCU TERMINALS, INC.	Y
15029-D	UNCLE SAM SEAFOODS, INC.	Y
13646-D	UNDERWATER CONSTRUCTION, INC. INC.	Y
03099-F	UNDERWRITERS ADJUSTING COMP.	Y

FILE NUMBER	N A M E	FOREIGN AFFILIATES
[illegible]	[illegible]	Y
03498-F	UNION PACIFIC RESOURCES CORPORATION	Y
02760-F	UNITED GEOPHYSICAL CORP.	Y
05872-F	THE UNITED STATES SHOE CORP.	Y
04698-F	UNIVERSAL SEAFOODS LTD.	Y
03607-F	THE UPJOHN COMPANY	Y
04471-F	URANERZ U.S.A., INC.	Y
04567-F	URANGESELLSCHAFT U. S. A., INC.	Y
16856-D	V. E. SYSTEMS SERVICES, INC.	Y
04593-F	VSL CORPORATION	Y
15192-D	VALLEY VIEW ENGINEERING INC.	Y
03957-F	VELCON FILTERS INC.	Y
0606[illegible]-F	VIBROFLOTATION FOUNDATION COMPANY	Y
13687-D	VISCOUNT INC.	Y
14653-D	WALCO, INC.	Y
05638-F	WEATHERFORD/LAMB U.S., INC.	Y
10859-D	WECO MINING CORPORATION	Y
17423-D	WELLINGTON LAND CORPORATION	Y
02850-F	WELLS FARGO COMPANY	Y
03186-F	WESTCOAST OIL & GAS CORP.	Y
07477-D	WESTERN ALASKA FISHERIES, INC.	Y
11276-D	WESTERN ALASKA LOGGING COMPANY, INC.	Y
02480-F	WESTERN AUTO SUPPLY COMPANY	Y
02933-F	WESTERN ELECTRIC COMPANY, INCORPORATED	Y

FILE NUMBER	NAME	FOREIGN AFFILIATES
[illegible]	WESTERN GEOPHYSICAL COMPANY OF AMERICA	Y
06049-F	WESTERN MINES INC.	Y
05416-F	WESTERN OCEANIC, INC.	Y
13563-D	WESTWARD ALASKA INDUSTRIES, INC.	Y
11090-D	WGM INC.	Y
05800-F	WINK INTERNATIONAL EXPLORATION DRILLING LTD.	Y
03389-F	DEAN WITTER REYNOLDS INC.	Y
11972-D	WRANGELL DOMESTIC INTERNATIONAL SALES CORPORATION	Y
02655-F	XEROX CORPORATION	Y
03414-F	YOUNGSTOWN SHEET AND TUBE,CO.	Y

NUMBER OF RECORDS SELECTED 498

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

NORTH PACIFIC PROCESSORS, INC.

EXHIBIT B

Name	% Ownership
H. A. Daubenspeck	50
Marubeni America Corp.	50

POUCH D - JUNEAU, ALASKA 99811

AUTHORITY: A.S. 10.05.690

(Type or print legibly)

NO. X 01714

ANNUAL REPORT

FOR YEAR ENDING DECEMBER 31, 19 78

FEB 27 1979

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

NAME OF CORPORATION NORTH PACIFIC PROCESSORS, INC. File No. 04181-F

1. CORPORATION IS ORGANIZED UNDER THE LAWS OF THE STATE OR COUNTRY OF WASHINGTON

2. ADDRESS OF PRINCIPAL CORPORATION OFFICE 2155 N. Northlake Way SEATTLE, WA 98103

3. REGISTERED AGENT KENNETH ROEMHILDT (FILE CHANGE ON FORM 08-184)

4. REGISTERED OFFICE IN ALASKA P O BOX 1040 CORDOVA, AK 99574 (FILE CHANGE ON FORM 08-184)

5. CHARACTER OF BUSINESS IN WHICH CORPORATION IS ACTUALLY ENGAGED IN ALASKA

CANNING AND FREEZING SEAFOOD PRODUCTS

6. AGGREGATE NUMBER OF SHARES WHICH CORPORATION HAS AUTHORITY TO ISSUE, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE, AND SERIES, IF ANY, WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
50,000	COMMON		10.00

7. AGGREGATE NUMBER OF ISSUED SHARES, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE AND SERIES, IF ANY WITHIN A CLASS:

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
50,000	COMMON		10.00

8. THE AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON DECEMBER 31 $ 500,000

9. YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS. IF DIRECTORS AND OFFICERS ARE THE SAME PEOPLE WRITE IN "SAME" IN THE DIRECTORS AREA

	NAME	COMPLETE ADDRESS
DIRECTORS	1. SAME	
	2.	
	3.	
OFFICERS	1. PRES H. A. Daubenspeck	2155 N. Northlake Way, Seattle, WA 98103
	2. V PRES C. Okamura	4001 Seattle-First Nat'l Bank Bldg, Seattle, WA
	3. SEC F. McGill	2155 N. Northlake Way, Seattle, WA 98103

10. ATTACH AS EXHIBIT "A" THE NAME AND ADDRESS OF EACH NONRESIDENT ALIEN AFFILIATE. IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED. NONE (SEE REVERSE FOR EXPLANATION)

11. ATTACH AS EXHIBIT "B" A NAME AND ADDRESS OF EACH PERSON HAVING A DIRECT OWNERSHIP OR CONTROL OF AT LEAST 5 PERCENT OF THE SHARES OR 5 PERCENT OF ANY CLASS OF SHARES AND THE PERCENTAGE OF SHARES OWNED BY THAT PERSON EXHIBIT "B" SHALL COVER THE OWNERSHIP AS OF SEPTEMBER 30 OF THE REPORTING PERIOD. IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED.

DATED January 15, 19 79

X _____ CORPORATE SEAL

BY H. A. Daubenspeck

X TITLE PRESIDENT

ATTESTED BY _____

FORM 08-191 REV. 2/78

11-7-79

Fred:

This is all of the information available on Alaskan Shores Fisheries. It does not appear to be a corporation so there is no information on it in the corporations section, as I believe that Jan Clemetson told you. She didn't know, however, that one of the participants in the company is a fellow by the name of Bud Engstrom, who is a owner of Engstrom Brothers Inc. Engstrom Brothers is a fish processing firm that is currently approved to do business in the state. It is also one of the companies to which we sent letters pointing out that the company's annual report was deficient. So far, we have not received an answer to that letter.

You will notice in the enclosed material the company's 1979 business licenses. It has a business license for a floating processor named the Gina Karen. In my checking, I found that the vessel does not have its required license from the Commercial Fisheries Entry Commission. This means that if the vessel actually operated in Alaskan waters this year, it did so illegally.

The company has a regular $10,000 surety bond (required by the Labor Department) for its floater, and property in Anchorage as bonding for the shore-based facility. In addition, the company apparently posted an interest in the Anchorage downtown Sheffield House as security with the Department of Revenue for its taxes.

HP Donaghey

KOD

INTENT TO OPERATE 1979 JUL 11 1979

JUL 19 1979

FISHERIES DIVISION
ANCHORAGE

COMPUTER SERVICES

I. COMPANY NAME AND ADDRESS:

MAIL TO:
ALASKAN SHORES FISHERIES
GENERAL DELIVERY
KODIAK, ALASKA

If your address as listed is in error or missing, please print or type the correct company name and address below.

ALASKAN SHORES FISHERIES
1200 PARK PLACE
6th AND UNIVERSITY
SUITE 309
SEATTLE, WASH

II. GENERAL INFORMATION: Check the following type of operation for which you are filing this Intent to Operate form. Only one type of operation should be indicated. If you have more than one plant or buying location at which different species of fish or shellfish are bought and/or processed, additional forms must be filed, one for each location. Additional forms can be obtained by contacting the nearest Department of Fish and Game office.

THIS OPERATION IS: (check one only)

_____ Shore Base Buyer (only)	_____ Shore Based Cannery
_____ Floating Cannery*	_____ Fresh Processor
_____ Freezer Ship*	_____ Floating/Flying/Buyer*
_X_ Shore Based Fresh, Frozen, or Cured Processor	_____ Combination Cannery and Fresh, Frozen, or Cured Processor

*If this is a floating operation, the following vessel information must be included. An Intent to Operate form must be filed for each vessel that buys or processes fishery resources.

Vessel Name: _____

Keel Length: _____ Net Tonage: _____

Intended area(s) of operation are: (i.e.: Southeastern, Bristol Bay, Kodiak, Chignik, Cook Inlet, etc.): KODIAK

Home Port: SEATTLE, WA.

If this form is for a shore based operation, please give the location of the plant or buying station:

MIDDLE BAY (KODIAK) ALASKA

If any aircraft will be used in transporting raw or finished fishery products, please give the anticipated total number and types of aircraft that will be used:

The Department receives many requests to publish a list of Alaskan commercial processors and/or buyers. Would you like your firm included in such a list? _X_ Yes _____ No

Salmon:	Buyer	Cannery	Fresh	Frozen	Cured (specify method)	
King	X			X	X	smoked

SPECIES	TYPE OF OPERATION(S)					
Salmon:	Buyer	Cannery	Fresh	Frozen	Cured	(specify method)
King						
Red						
Coho						
Pink	X			X		
Chum	X			X		
Roe	X			X		
Shellfish:						
King crab						
Dungeness						
Tanner						
Shrimp						
Scallops						
Other(specify):						
Miscellaneous:						
Bait Herring						
Food Herring						
Sac Roe Herring						
Herring Roe On Kelp						
Halibut						
Sablefish (Black Cod)						
Pacific Cod						
Other Fish (specify):						

PLEASE RESPOND TO THE FOLLOWING QUESTIONS IN AS COMPLETE A MANNER AS POSSIBLE.

1. List the quantity and location of all your fish ticket imprinting machines.

Number	Location
1	MIDDLE BAY (KODIAK)
2	TENDER BOATS

2. Is your company name presently embossed on a plate for your machines? If so, please print company name and any other data on your present plates.

Plate embossed now?:

____ Yes

X No

Information embossed on plates:

3. If you do not ordinarily file an Annual Report, please list the name(s) and location(s) of the company(s) whose Annual Report(s) will include your catch information.

Company	Location
ALASKAN SHORES FISHERIES	SEATTLE, WASHINGTON

Name and title of person filling out this form: (Please print or type)

Name: ORELL L CLEM

Signature: Orell L Clem

Title: General Partner

Phone: 206/682-9282

19 79

DEPARTMENT OF REVENUE — STATE OF ALASKA

19 79

Alaska Fish Processor License

Expires December 31, 19 79 (AS 43.75.010, 060 & 100)

79-77

INITIAL FEE $25.00 (Each Location)

4/27/79

Location Port Lions

This is to certify that the licensee named below* has made application and paid the initial fee for an Alaska Fish Processor License covering the calendar year January 1, 19 79 to December 31, 19 79, or fraction thereof to engage in the business of: Shore Based Processor

and has agreed to file, or cause to be filed, a true, correct and complete return stating the value of the Raw Fisheries Products processed for the period for which the license is issued on or before March 31, 19 80, with the Department of Revenue, Juneau, Alaska and pay the balance of the license tax due, if any PROVIDED, HOWEVER, that the license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State of Alaska or of the United States.

*

Alaskan Shores Fisheries
1200 6th Ave. Ste. 309
Seattle, Wa. 98101

This License Must be Posted in a Conspicuous Place at the Location.
It is Not Transferable or Assignable.

04-700 5/78

April 30, 1979

Alaska Department of Revenue
Audit Division

Department of Labor
Wage and Hour/Mechanical
Engineering Division

Bonding Certification
of Fish Processors/Buyers

This is to certify that ALASKAN SHORE FISHERIES (Shorebased)
Name

2724 Third Avenue, San Diego, California 92103
Address
has complied with

the requirements of AS 16.10.290-296. A license may be issued to the above person to engage in the business of fish processor and/or primary fish buyer.

Robert E. Smathers
Department of Labor
Wage and Hour/Mechanical
Engineering Division

April 30, 1979
Date

Shore based Rig jacking operation to be conducted at Port Lyon

In lieu of the bond we are putting upon property described on attached

Very truly yours
Samuel Paulsen

LEGAL DESCRIPTION:

Parcel No. 1: Lot 1 "A" Block 53 ORIGINAL TOWN SITE OF ANCHORAGE, according to Plat C-210, filed in the Anchorage recording district third judicial district State of Alaska.

Parcel No. 2: Lots 3, 4 and East 5 feet of lot 5, block 53 original town site of Anchorage SAVING AND ACCEPTING their firm the North 10 feet thereof heretofor taken for street and sidewalk purposes in the Anchorage recording district third judicial district State of Alaska.

Perry T. Davis
General Partner

(19 79

DEPARTMENT OF REVENUE — STATE OF ALASKA

19 79

Alaska Fish Processor License

Expires December 31, 19 79 (AS 43.75.010, 060 & 100)

79-73

INITIAL FEE $25.00 (Each Location)

4/27/79

Location M/V Gina Karen- Bering Sea

This is to certify that the licensee named below* has made application and paid the initial fee for an Alaska Fish Processor License covering the calendar year January 1, 19 79 to December 31, 19 79, or fraction thereof to engage in the business of: Floating Processor

and has agreed to file, or cause to be filed, a true, correct and complete return stating the value of the Raw Fisheries Products processed for the period for which the license is issued on or before March 31, 1980, with the Department of Revenue, Juneau, Alaska and pay the balance of the license tax due, if any PROVIDED, HOWEVER, that the license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State of Alaska or of the United States.

Alaskan Shores Fisheries
1200 6th Ave. Ste. 309
Seattle, Wa. 98101

This License Must be Posted in a Conspicuous Place at the Location.
It is Not Transferable or Assignable.

04-700 5/78

MEMORANDUM

State of Alaska

TO: THE FILE

DATE: October 31, 1979

FILE NO:

TELEPHONE NO:

FROM: Jim O'Connor

SUBJECT: Alaska Shore Fisheries

Alaska Shore Fisheries is having financial difficulties.

Alaska Department of Revenue
Audit Division

April 30, 1979

Department of Labor
Wage and Hour/Mechanical
Engineering Division

Bonding Certification of Fish Processors/Buyers

This is to certify that ALASKAN SHORE FISHERIES (Floating Processor)
Name

2724 Third Avenue, San Diego, California, 92103 has complied with
Address

the requirements of AS 16.10.290-296. A license may be issued to the above person to engage in the business of fish processor and/or primary fish buyer.

Robert E. Smathers
Department of Labor
Wage and Hour/Mechanical
Engineering Division

April 30, 1979
Date

NOTE: This bond is to be duly executed and filed with the Commissioner of Labor

STATE OF ALASKA
DEPARTMENT OF LABOR

FISH PROCESSOR OR PRIMARY FISH BUYER BOND

KNOW ALL MEN BY THESE PRESENTS:

That we Orell Clem, Perry Davis, Fred Sproule, Robert Smith & Bud Engstrom
(Full name of applicant, of all partners, o. of corporation)

of Alaskan Shores Fisheries - 2724 Third Ave., San Diego, CA 92103
(Complete address of Principal Executive Office of the Business)

doing business as a FISH PROCESSOR as defined in AS 16.10.296(3) _____

_____ or as a PRIMARY FISH BUYER as defined in AS 16.10.296(4)

_____ as principal and Fidelity & Deposit Company of Maryland

as surety, are held and firmly bound to the State of Alaska in the sum of Ten Thousand Dollars ($10,000.), lawful money of the United States of America to be paid to the people of the State of Alaska; for which payment we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents.

The condition of this obligation is that if the above bounden principal pays (1) all persons furnishing labor to the principal fish processor or primary fish buyer named herein, including contractual employee benefits; and (2) independent registered commercial fishermen for the price of the raw fishery resource purchased from them, then this obligation is to be void, otherwise it is to remain in full force and effect.

In accordance with AS 16.10.290(b), this bond shall remain in full force for a period of at least 2 years and not more than 5 years beginning with the effective date appearing hereon unless terminated or cancelled in the manner hereinafter provided.

The surety reserves the right to terminate this bond except as to any liability already incurred or accrued, and may do so upon giving the said principal and the Commissioner of Labor of the State of Alaska written notice to that effect 30 days after receipt by the Commissioner of Labor of such notice or upon a later date specified in the notice, or upon the filing and acceptance of a new bond, the surety's liability under this bond, except as to any liabilities or indebtedness already incurred or accrued, shall cease, and said bond shall terminate and be of no more force and effect, except as to any liabilities or indebtedness incurred or accrued thereunder as of the date of termination.

IN WITNESS WHEREOF the said principal and surety have hereunto set their hands and seals this 26th day of April, 19 79 The effective date of this bond is April 26, 1979 and it shall remain in force through the 26th day of April, 19 80 however if a claim is asserted within 2 years from the effective date of the bond as provided under AS 16.10.290(b), then it shall remain in force through the 26th day of April, 19 81 The number of this bond is 93 07 629 and the premium paid for this bond is $ 100.00 per annum.

(Sign on lines below if you are a corporation.)

_____
(Corporate Principal)

By _____
(Title of Official)

By _____

By _____

By _____

Corporate Seal

(If individual or partnership, sign below.)

_____
(Individual Principal)

_____

_____

Fidelity & Deposit Company of Maryland
(Surety)

Richard W. Recob Attorney-in-Fact

Power of Attorney

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

HOME OFFICE: BALTIMORE, MD.

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by C. M. PECOT, JR. , Vice-President, and C. W. ROBBINS , Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which reads as follows:

"The President, or any one of the Executive Vice-Presidents, or any one of the additional Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents, Resident Assistant Secretaries and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertakings, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgments, decrees, mortgages and instruments in the nature of mortgages, and also all other instruments and documents which the business of the Company may require, and to affix the seal of the Company thereto."

does hereby nominate, constitute and appoint Richard W. Recob of Seattle, Washington.....

its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings.....

And the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of Richard W. Recob, dated, September 3, 1976.

The said Assistant Secretary does hereby certify that the aforegoing is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 24th day of October A.D. 19 78.

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

ATTEST: C. W. Robbins, Assistant Secretary — By: C. M. Pecot, Vice-President

STATE OF MARYLAND
CITY OF BALTIMORE } ss:

On this 24th day of October A.D. 19 78, before the subscriber, a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and qualified, came the above-named Vice-President and Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself deposeth and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Baltimore, the day and year first above written.

MELINDA T. HAUS NOTARY PUBLIC BALTIMORE CITY, MD.

Melinda T. Haus
Notary Public. Commission Expires July 1, 1982

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate, and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2 of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of July, 1969.

RESOLVED: "That the facsimile or mechanically reproduced signature of any Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company, this 26th day of April 19 79.

Assistant Secretary

J.1412 - Ctf. 205711

March 28, 1979

Bud Engstrom
Alaskan Shores Fisheries
309 Park Place Bldg.
6th and University
Seattle, WA 98101

Dear Mr. Engstrom:

This is in response to your call of March 27, 1979. Enclosed please find all of the materials discussed and other pertinent information available from the Department.

Several State agencies have requirements of Alaskan buyers and processors. The Department of Fish and Game requires that you file an Intent to Operate, and that you submit at the end of each year a summary of that year's activity on the Commercial Operator's Annual Report Form.

The Department of Revenue issues business licenses for fish processing. A copy of your letter has been sent to them, so you should receive the proper forms soon. Should you need to contact them, in Juneau the address is Department of Revenue, Audit Division, Pouch SA, Juneau, Alaska 99811, Attn: Patty La Pierre, 465-2370.

The Department of Labor requires that you post a $10,000 bond, or provide proof of ownership of property in the State of Alaska. They have also received a copy of your letter. Should you need to contact them, write to the Department of Labor, Wage and Hour Division, Box 630, Juneau, Alaska 99811, Attn: Robert Smathers, 465-4839.

Other State requirements related to fish processing are those of the Department of Natural Resources. You should receive information regarding those requirements soon. If you do not, contact the Department of Natural Resources, Division of Agriculture, P.O. Box 1088, Palmer, Alaska 99645, Attn: George Hart, 745-3236.

If you have any further questions, do not hesitate to contact me.

Sincerely,

Lori J. Svensson

Lori J. Svensson
Computer Services Section
Division of Commercial Fisheries
907-465-4150

LJS:sdb

April 2, 1979

Bud Engstrom
Alaskan Shores Fisheries
309 Park Place Bldg.
6th and University
Seattle, Washington 98101

Dear Mr. Engstrom:

Alaska Statute 16.10.290 through 16.10.296 requires that all Fish Processors and Primary Fish Buyers obtain a license and a $10,000 bond prior to starting operations. The bond is to cover any unpaid wages or unpaid fish purchases and must remain in force for two years.

The law permits firms to satisfy the bonding requirement by posting a surety bond, cash deposit or other negotiable security. If a person or firm owns over $10,000 worth of lienable unencumbered property located within the State of Alaska, they may post the property as their bond. Anyone wishing to take advantage of this provision should submit the following evidence.

a) A sworn affidavit from a bank or similar financial institution or local tax assessor, or any other person having first hand knowledge of the applicants property in Alaska. It must be related to the enterprise and is valued in excess of $10,000.

b) Provide a legal description of the property to be offered in lieu of the bond.

c) The affidavit referred to in (a) must be re-attested to including any changes regarding the property before the end of each calendar year it remains in effect.

If you are posting your property as your bond; the property may not be sold or transferred during the two years the bond is required to remain in force without prior arrangement being made with the Alaska Department of Labor.

If you need additional information, or we might be of further assistance, please notify this office.

Sincerely,

Robert E. Smathers

Robert E. Smathers
W/H Investigator
Wage and Hour Division

PES/me

BRC

STATE OF ALASKA DEPARTMENT OF FISH AND GAME

DEPT. OF FISH AND GAME

APR 27 1979

COMPUTER SERVICES

INTENT TO OPERATE 1979

I. COMPANY NAME AND ADDRESS:

Alaskan Shore Fisheries
309 Park Place
6th & University
Seattle WA 98101

If your address as listed is in error or missing, please print or type the correct company name and address below.

II. GENERAL INFORMATION: Check the following type of operation for which you are filing this Intent to Operate form. Only one type of operation should be indicated. If you have more than one plant or buying location at which different species of fish or shellfish are bought and/or processed, additional forms must be filed, one for each location. Additional forms can be obtained by contacting the nearest Department of Fish and Game office.

THIS OPERATION IS: (check one only)

____ Shore Base Buyer (only)	____ Shore Based Cannery
____ Floating Cannery*	____ Fresh Processor
✓ Freezer Ship*	____ Floating/Flying/Buyer*
____ Shore Based Fresh, Frozen, or Cured Processor	____ Combination Cannery and Fresh, Frozen, or Cured Processor

*If this is a floating operation, the following vessel information must be included. An Intent to Operate form must be filed for each vessel that buys or processes fishery resources.

Vessel Name: GINA KAREN

Keel Length: 141 Net Tonage: 227

Intended area(s) of operation are: (i.e.: Southeastern, Bristol Bay, Kodiak, Chignik, Cook Inlet, etc.): Kantad Sound - Bristol Bay

Home Port: _____

If this form is for a shore based operation, please give the location of the plant or buying station:

NA

If any aircraft will be used in transporting raw or finished fishery products, please give the anticipated total number and types of aircraft that will be used:

NA

The Department receives many requests to publish a list of Alaskan commercial processors and/or buyers. Would you like your firm included in such a list? ✓ Yes ____ No

processing of each of the species. For example, if you buy and freeze and smoke king salmon, your form should look like this:

Salmon:	Buyer	Cannery	Fresh	Frozen	Cured	(specify method)
King	X			X	X	smoked

SPECIES	TYPE OF OPERATION(S)					
Salmon:	Buyer	Cannery	Fresh	Frozen	Cured	(specify method)
King						
Red						
Coho						
Pink						
Chum						
Roe						
Shellfish:						
King crab						
Dungeness						
Tanner						
Shrimp						
Scallops						
Other(specify):						
Miscellaneous:						
Bait Herring						
Food Herring						
Sac Roe Herring	X				X	
Herring Roe On Kelp						
Halibut						
Sablefish (Black Cod)						
Pacific Cod						
Other Fish (specify):						

PLEASE RESPOND TO THE FOLLOWING QUESTIONS IN AS COMPLETE A MANNER AS POSSIBLE.

1. **List the quantity and location of all your fish ticket imprinting machines.**

Number	Location
N/A	N/A

2. **Is your company name presently embossed on a plate for your machines? If so, please print company name and any other data on your present plates.**

Plate embossed now?:

_____ Yes

__✓__ No

Information embossed on plates:

N/A

3. If you do not ordinarily file an Annual Report, please list the name(s) and location(s) of the company(s) whose Annual Report(s) will include your catch information.

Company	Location
Celebration Shore Fisheries	309 Park Place
	6th & University
	Seattle WA 98101

Name and title of person filling out this form: (Please print or type)

Name: Penny T Davis

Signature: Penny T Davis

Title: General Partner

Phone: 206-682-9282

STATE OF ALASKA
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT
BANKING & SECURITIES
POUCH D
JUNEAU, ALASKA 99811

September 14, 1979

Mr. Elton E. Engstrom, President
Engstrom Brothers Company
Box 723
Juneau, Alaska 99801

Dear Mr. Engstrom:

It has come to our attention that your 1978 annual report is deficient.

Specifically, you did not give the percentage of shares held for each of the company's stockholders who owns five percent or more of the company's outstanding stock. You should also be aware of the sanctions which may be imposed for failure to disclose this information (AS 10.05.519).

Your timely attention in clearing up this matter will be appreciated.

Sincerely,

Julius J. Brecht
Director

JJB/jar4/4

cc: Jan Clematson, Supervisor
Corporations Section

bcc: Representative Fred F. Zharoff
Chairman, Foreign Investments
Committee

STATE OF ALASKA
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT
BANKING & SECURITIES
POUCH D
JUNEAU, ALASKA 99811

September 14, 1979

Mr. W. C. Hingston, President
Kodiak King Crab, Inc.
P.O. Box C-70739
Seattle, Washington 98107

Dear Mr. Hingston:

It has come to our attention that your 1978 annual report may have been deficient.

Specifically, you stated that Kodiak King Crab has a single foreign affiliate which is Marubeni Corporation. However, we have been told that the owners of Kodiak King Crab (not including Marubeni Corporation) may also control a company called Kabushiki Kaisha Washingthon Fish of Tokyo, Japan. If this is accurate, then this and any other foreign (non-U.S.) corporations with direct or indirect ties (including domestic) ownership by foreign firms through wholly American subsidiaries) must be reported.

It may be helpful for you to review the statutes governing disclosure of alien affiliates (AS 10.06.702, including amendments in 1975 and 1976, and definitions) since they are far reaching in terms of the information that must be reported. You should also be aware of the sanctions which may be imposed for failure to disclose this information (AS 10.05.519).

Your timely attention to clearing up this matter will be appreciated.

Sincerely,

Julius J. Brecht
Director

JJB/jar4/2

cc: Jan Clemetson, Supervisor
Corporations Section

bcc: Representative Fred F. Zharoff
Chairman, Foreign Investments
Committee

September 14, 1979

Mr. Thomas A. Casey, President
Alaskan Marine Products, Inc.
P.O. Box 2976
Kodiak, Alaska 99615

Dear Sir:

It has come to our attention that your 1978 annual report is deficient.

Specifically, you did not give the percentage of shares held by each of your company's stockholders who own 5 percent or more of the company's outstanding stock.

It may be helpful for you to review the statutes governing disclosure of 5 percent stockholders (AS 10.05.702, including amendments in 1975 and 1976, an definitions) since they are far-reaching in terms of the information that must be reported. You should also be aware of the sanctions which may be imposed for failure to disclose this information (AS 10.05.519).

Your timely attention to clearing up this matter will be appreciated.

Sincerely,

Julius J. Brecht
Director

JJB/kkk5/5

cc: Jan Clemetson, Supervisor
Corporations Section

bcc: Representative Fred F. Zharoff
Chairman, Foreign Investments
Committee

September 14, 1979

Mr. James G. Ferguson
Pelican Cold Storage Company, Inc.
653 N.E. North Lake Way
Seattle, Washington 98105

Dear Sir:

It has come to our attention that your 1978 annual report may have been deficient.

Specifically, do you have any stockholders who own at least 5% of the company's outstanding stock other than William H. Clapp, Drial & Company and the MacKintosh Partnership? You should also be aware of the sanctions which may be imposed for failure to disclose this information (AS 10.05.519).

Your timely attention to clarifying this matter will be appreciated.

Sincerely,

Julius J. Brecht
Director

JJB/kkk5/4

cc: Jan Clemetson, Supervisor
Corporations Section

bcc: Representative Fred F. Zharoff
Chairman, Foreign Investments
Committee

September 14, 1979

Mr. Leonard Keener, President
Keener Packing Company, Inc.
SR #2, Box 738
Soldotna, Alaska 99669

Dear Sir:

It has come to our attention that your 1978 annual report may have been deficient.

Specifically, you reported that Keener Packing Company has no stockholders who own 5% or more of the company's outstanding 300 shares of stock. Such diffuse ownership is unusual in corporations the size of Keener Packing, so we would appreciate your confirming the absence of any 5% shareholders. You should also be aware of the sanctions which may be imposed for failure to disclose this information (AS 10.05.519).

Sincerely,

Julius J. Brecht
Director

JJB/kkk5/3

cc: Jan Clemetson, Supervisor
Corporations Section

FILED - JUNEAU, ALASKA 99811

AUTHORITY: A.S. 10.05.699

(Type or print legibly)

NO. X 07536

ANNUAL REPORT

FOR YEAR ENDING DECEMBER 31, 19 78

DEC 22 1978

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

NAME OF CORPORATION KEENER PACKING COMPANY, INC.

File No. 18392-D

1. CORPORATION IS ORGANIZED UNDER THE LAWS OF THE STATE OR COUNTRY OF Alaska

2. ADDRESS OF PRINCIPAL CORPORATION OFFICE SR #2, Box 738, Soldotna, Alaska 99669

3. REGISTERED AGENT DAVID B. KEENER

(FILE CHANGE ON FORM 08-184)

4. REGISTERED OFFICE IN ALASKA RT 2 BOX 738 SOLDOTNA, AK 99669

(FILE CHANGE ON FORM 08-184)

5. CHARACTER OF BUSINESS IN WHICH CORPORATION IS ACTUALLY ENGAGED IN ALASKA Buying, processing and selling seafoods

6. AGGREGATE NUMBER OF SHARES WHICH CORPORATION HAS AUTHORITY TO ISSUE, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE, AND SERIES, IF ANY, WITHIN A CLASS:

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
100,000	COMMON		1.00

7. AGGREGATE NUMBER OF ISSUED SHARES, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE AND SERIES, IF ANY WITHIN A CLASS:

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
300	Common		1.00

8. THE AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON DECEMBER 31. $ 2600.00

9. YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS. IF DIRECTORS AND OFFICERS ARE THE SAME PEOPLE WRITE IN "SAME" IN THE DIRECTORS AREA.

	NAME	COMPLETE ADDRESS
DIRECTORS	1. Same 2. Same 3 Same	
OFFICERS	1. PRES Leonard Keener 2. V PRES David Keener 3 SEC Evelyn Keener	SR #2, Box 738, Soldotna, Alaska 99669 " " " " " " " " " "

10. ATTACH AS EXHIBIT "A" THE NAME AND ADDRESS OF EACH NONRESIDENT ALIEN AFFILIATE. IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED None (SEE REVERSE FOR EXPLANATION)

11. ATTACH AS EXHIBIT "B" A NAME AND ADDRESS OF EACH PERSON HAVING A DIRECT OWNERSHIP OR CONTROL OF AT LEAST 5 PERCENT OF THE SHARES OR 5 PERCENT OF ANY CLASS OF SHARES AND THE PERCENTAGE OF SHARES OWNED BY THAT PERSON. EXHIBIT "B" SHALL COVER THE OWNERSHIP AS OF SEPTEMBER 30 OF THE REPORTING PERIOD. IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED None

DATED December 15, 19 78

CORPORATE SEAL

BY Evelyn D. Keener, Sec.
Leonard A Keener Pres.

TITLE President

ATTESTED BY

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

POUCH D
JUNEAU, ALASKA 99811

September 14, 1979

Mr. Leonard Keener, President
Keener Packing Company, Inc.
SR #2, Box 738
Soldotna, Alaska 99669

Dear Sir:

It has come to our attention that your 1978 annual report may have been deficient.

Specifically, you reported that Keener Packing Company has no stockholders who own 5% or more of the company's outstanding 300 shares of stock. Such diffuse ownership is unusual in corporations the size of Keener Packing, so we would appreciate your confirming the absence of any 5% shareholders. You should also be aware of the sanctions which may be imposed for failure to disclose this information (AS 10.05.519).

Sincerely,

Julius J. Brecht
Director

JJB/kkk5/3

cc: Jan Clemetson, Supervisor
Corporations Section

08-H14LH

Keener Packing Company, Inc.
SR 2, Box 738 • Soldotna, Alaska 99669

RECEIVED
SEP 27 1979
DEPARTMENT OF COMMERCE
DIVISION OF BANKING
SECURITIES AND SMALL LOANS

September 24, 1979

Mr. Julius J. Brecht, Director
State of Alaska
Division of Banking, Securities, Small Loans & Corps.
Pouch D
Juneau, AK 99811

Dear Mr. Brecht:

I would like to know how we specifically reported that Keener Packing Company, Inc. has no stockholders who own 5% or more of the company's outstanding 300 shares of stock.

If this was done, it was an error as each own 33 1/3%.

Sincerely,

Leonard A. Keener

Leonard A. Keener, President
Keener Packing Company, Inc.

LK:mk

POUCH D, ANCHORAGE, ALASKA 99811

AUTHORITY: A.S. 10.05.899

(Type or print legibly)

NO. X 03293-177

ANNUAL REPORT

FOR YEAR ENDING DECEMBER 31, 19 78

MAR 9 1979

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

NAME OF CORPORATION PELICAN COLD STORAGE COMPANY

File No. 01183-D

1. CORPORATION IS ORGANIZED UNDER THE LAWS OF THE STATE OR COUNTRY OF

2. ADDRESS OF PRINCIPAL CORPORATION OFFICE 2101 EXCHANGE BLDG. SEATTLE, WA 00000

3. REGISTERED AGENT N.C. BANFIELD (FILE CHANGE ON FORM 08-184)

4. REGISTERED OFFICE IN ALASKA 311 N. FRANKLIN ST. JUNEAU, AK 99801 (FILE CHANGE ON FORM 08-184)

5. CHARACTER OF BUSINESS IN WHICH CORPORATION IS ACTUALLY ENGAGED IN ALASKA SEAFOOD PROCESSING & DISTRIBUTING

6. AGGREGATE NUMBER OF SHARES WHICH CORPORATION HAS AUTHORITY TO ISSUE, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE, AND SERIES, IF ANY, WITHIN A CLASS:

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
1,000,000	COMMON		$1.00

7. AGGREGATE NUMBER OF ISSUED SHARES, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE AND SERIES, IF ANY WITHIN A CLASS:

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
337,937	COMMON		$1.00

8. THE AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON DECEMBER 31 1978 $ 337,937.00

9. YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS. IF DIRECTORS AND OFFICERS ARE THE SAME PEOPLE WRITE IN "SAME" IN THE DIRECTORS AREA.

	NAME	COMPLETE ADDRESS
DIRECTORS	1. William CLAPP	13TH FLOOR NORTON Building, Seattle, Washington 98104
	2. Gary Macleod	SAME -
	3. Prosper S. Ganty	653 N. E. NORTHlake Way, Seattle, Washington 98105
OFFICERS	1. PRES. JAMES G. Ferguson	653 N. E. NORTHlake Way, Seattle, Washington 98105
	2. V. PRES. Gary Macleod	13TH Floor NORTON Building, Seattle, Washington, 98104
	3. SEC. MARGARET AMES	SAME

10. ATTACH AS EXHIBIT "A" THE NAME AND ADDRESS OF EACH NONRESIDENT ALIEN AFFILIATE. IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED. NONE (SEE REVERSE FOR EXPLANATION)

11. ATTACH AS EXHIBIT "B" A NAME AND ADDRESS OF EACH PERSON HAVING A DIRECT OWNERSHIP OR CONTROL OF AT LEAST 5 PERCENT OF THE SHARES OR 5 PERCENT OF ANY CLASS OF SHARES AND THE PERCENTAGE OF SHARES OWNED BY THAT PERSON. EXHIBIT "B" SHALL COVER THE OWNERSHIP AS OF SEPTEMBER 30 OF THE REPORTING PERIOD. IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED

DATED JANUARY 16 19 79

CORPORATE SEAL

BY PELICAN COLD STORAGE COMPANY

TITLE J. Ferguson, PRESIDENT

ATTESTED BY [illegible], Asst. Treasurer

PELICAN
COLD STORAGE COMPANY
"CLOSEST TO THE FISH"

EXHIBIT "B"

Shareholders owning 5% or more of Pelican Cold Storage Company stock:

William H. Clapp 1300 Norton Building Seattle, Wa. 98104	79,157 shares	23.4%
Drial & Co. 1300 Norton Building Seattle, Wa. 98104	113,890 shares	33.7%
The MacKintosh Partnership C/o The Bank of California P. O. Box 3123 Seattle, Wa. Attn: Trust Dept.	20,906 shares	6.2%

PLANTS
PELICAN COLD STORAGE COMPANY, PELICAN, ALASKA 99832

SEAFOOD SALES OFFICE
PELICAN SALES COMPANY, SEATTLE, WASHINGTON 98105

PORT ALEXANDER COLD STORAGE
PORT ALEXANDER, ALASKA 99836

PELICAN
COLD STORAGE COMPANY

FISH AND SHELLFISH PROCESSING

BAIT AND ICE

OUTFITTING

GENERAL OFFICES: 653 N.E. NORTHLAKE WAY, SEATTLE, WASHINGTON 98105 ● PHONE (206) 632-9000
GENERAL OFFICES MAILING ADDRESS: P.O. BOX 5538, SEATTLE, WASHINGTON 98105

September 25, 1979

Mr. Julius J. Brecht, Director
State of Alaska
Department of Commerce and Economic Development
Pouch D
Juneau, Alaska 99811

RECEIVED
SEP 27 1979
DEPARTMENT OF COMMERCE
DIVISION OF BANKING
SECURITIES AND SMALL LOANS

RE: Stock Ownership of Pelican Cold Storage Company

Dear Mr. Brecht;

Jim Ferguson, President of Pelican Cold Storage Company, has asked me to respond to your letter dated September 14, 1979. In particular, there are no stockholders, other than those you mentioned, who own at least 5% of the company's outstanding stock.

If you require additional information, do not hesitate to contact us.

Sincerely,

Dale Freidig
Controller

DF:kb
cc: Jim Ferguson

September 14, 1979

Mr. Elton E. Engstrom, President
Engstrom Brothers Company
Box 723
Juneau, Alaska 99801

Dear Mr. Engstrom:

It has come to our attention that your 1978 annual report is deficient.

Specifically, you did not give the percentage of shares held for each of the company's stockholders who owns five percent or more of the company's outstanding stock. You should also be aware of the sanctions which may be imposed for failure to disclose this information (AS 10.05.513).

Your timely attention in clearing up this matter will be appreciated.

Sincerely,

Julius J. Brecht
Director

JJB/jar4/4

cc: Jan Clemetson, Supervisor
Corporations Section

bcc: Representative Fred F. Zharoff
Chairman, Foreign Investments
Committee

September 14, 1979

Mr. W. C. Hingsten, President
Kodiak King Crab, Inc.
P.O. Box C-70739
Seattle, Washington 98107

Dear Mr. Hingsten:

It has come to our attention that your 1978 annual report may have been deficient.

Specifically, you stated that Kodiak King Crab has a single foreign affiliate which is Marubeni Corporation. However, we have been told that the owners of Kodiak King Crab (not including Marubeni Corporation) may also control a company called Kabushiki Kaisha Washingthon Fish of Tokyo, Japan. If this is accurate, then this and any other foreign (non-U.S.) corporations with direct or indirect ties (including domestic) ownership by foreign firms through wholly American subsidiaries) must be reported.

It may be helpful for you to review the statutes governing disclosure of alien affiliates (AS 10.05.702, including amendments in 1975 and 1976, and definitions) since they are far reaching in terms of the information that must be reported. You should also be aware of the sanctions which may be imposed for failure to disclose this information (AS 10.05.519).

Your timely attention to clearing up this matter will be appreciated.

Sincerely,

Julius J. Brecht
Director

JJB/jar4/2

cc: Jan Clemetson, Supervisor
Corporations Section

bcc: Representative Fred F. Zharoff
Chairman, Foreign Investments
Committee

September 14, 1979

Mr. J. R. Gilbert, President
Excursion Inlet Packing Company, Inc.
3630 49th, N.E.
Seattle, Washington 98101

Dear Mr. Gilbert:

It has come to our attention that your 1978 annual report is deficient.

Specifically, you did not give the names, addresses and percentages of shares held for each of the company's stockholders who owns five percent or more of the company's outstanding stock.

In addition, your annual report states that Excursion Inlet Packing Company has alien affiliates. However, if Excursion Inlet Packing Company is affiliated with Wards Cove Packing Company, then it also is affiliated with Marubeni Corporation of Japan, which is a stockholder in Wards Cove. This reporting requirement applies to any foreign (non-U.S.) corporation with direct or indirect ties, including American subsidiaries of foreign firms.

It may be helpful for you to review the statutes governing disclosure of alien affiliates (AS 10.05.702, including amendments in 1975 and 1976, and definitions) since they are far reaching in terms of the information that must be reported. You should also be aware of the sanctions which may be imposed for failure to disclose this information (AS 10.05.519).

Your timely attention to clearing up this matter will be appreciated.

Sincerely,

Julius J. Brecht
Director

JJB/jar4/3

cc: Jan Clemetson, Supervisor
Corporations Section

bcc: Representative Fred F. Zharoff
Chairman, Foreign Investments
Committee

FOUNDED - JUNEAU, ALASKA

AUTHORITY: A.S. 10.05.

(Type or print legibly)

NO. X-03295

ANNUAL REPORT

FOR YEAR ENDING DECEMBER 31, 19 78

MAR 28 1979

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

NAME OF CORPORATION WARDS COVE PACKING COMPANY, INC.

File No. 01536-D

1. CORPORATION IS ORGANIZED UNDER THE LAWS OF THE STATE OR COUNTRY OF Alaska

2. ADDRESS OF PRINCIPAL CORPORATION OFFICE Wards Cove, Ketchikan, Alaska

3. REGISTERED AGENT CT CORPORATION SYSTEM

(FILE CHANGE ON FORM 08-184)

4. REGISTERED OFFICE IN ALASKA 200 NBA BLDG. JUNEAU, AK 99801

(FILE CHANGE ON FORM 08-184)

5. CHARACTER OF BUSINESS IN WHICH CORPORATION IS ACTUALLY ENGAGED IN ALASKA Salmon Canning

6. AGGREGATE NUMBER OF SHARES WHICH CORPORATION HAS AUTHORITY TO ISSUE, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE, AND SERIES, IF ANY, WITHIN A CLASS:

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
500,000	COMMON		1.00

7. AGGREGATE NUMBER OF ISSUED SHARES, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE AND SERIES, IF ANY WITHIN A CLASS:

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
255,234	n/a	n/a	$1.00

8. THE AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON DECEMBER 31 $ 255,234

9. YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS. IF DIRECTORS AND OFFICERS ARE THE SAME PEOPLE WRITE IN "SAME" IN THE DIRECTORS AREA

	NAME	COMPLETE ADDRESS
DIRECTORS	1. Alec W Beindle	88 E Hamlin st Seattle WA 98102
	2. see attached list	
	3.	
OFFICERS	1. PRES see attached list	
	2. V PRES	
	3. SEC	

10. ATTACH AS EXHIBIT "A" THE NAME AND ADDRESS OF EACH NONRESIDENT ALIEN AFFILIATE. IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED None (SEE REVERSE FOR EXPLANATION)

11. ATTACH AS EXHIBIT "B" A NAME AND ADDRESS OF EACH PERSON HAVING A DIRECT OWNERSHIP OR CONTROL OF AT LEAST 5 PERCENT OF THE SHARES OR 5 PERCENT OF ANY CLASS OF SHARES AND THE PERCENTAGE OF SHARES OWNED BY THAT PERSON. EXHIBIT "B" SHALL COVER THE OWNERSHIP AS OF SEPTEMBER 30 OF THE REPORTING PERIOD. IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED

DATED JAN 17 19 79

CORPORATE SEAL

BY Alec W. Brindle

TITLE President

ATTESTED BY

01536-D

DIRECTORS

Alec W. Brindle	1620 Broadmoor Drive East, Seattle, Wa 98112
Winn F. Brindle	1251 22nd East, Seattle, Wa 98112
Gregory J. Brindle	10552 Alton Northeast, Seattle, Wa 98125
Harold A. Brindle	18035 8th Northwest, Seattle, Wa 98177
Joseph A. Brindle	Route 1 Box 1062, Ketchikan Ak 99901
Patrick J. Douglas	4757 48th N. E., Seattle, Wa

OFFICERS

Alec W. Brindle	President
Patrick Douglas	Vice-President
Harold A. Brindle	Vice-President/Secretary
Joseph A. Brindle	Treasurer

01536-D

EXHIBIT "B"

The following persons have a direct ownership or control of at least 5% of the shares or 5% of any class of shares of Wards Cove Packing Company, Inc.

NAME	ADDRESS	% SHARES
Estate of A. W. Brindle	3300 Sea-First Nat. Bk. Bldg Seattle, Wa 98154	75%
H. A. Brindle	18035 8th Ave N.W. Seattle, Wa 98177	16%
Marubeni Corporation	Seattle-First Nat. Bank Seattle Wa 98154	9%

FRED F. ZHAROFF
P.O. Box 405
Kodiak, Alaska 99615
(907) 486-6254

Juneau, Alaska
99811
(907) 465-4958
465-4981

House of Representatives

April 1, 1980

DISTRICT 14:

BELLSFLATS
CHINIAK
KODIAK
OUZINKIE

Industrial Credit Co.
Attention Mr. Bevis
P.O. Box 68418
Seattle, Washington 98188

Dear Mr. Bevis:

Thank you for expressing your interest in the interim committee report on "Foreign Investment in the Alaska Seafood Industry." Enclosed is the requested copy. Please feel free to comment on this report or related areas of interest.

Sincerely yours,

Linda M. Smith

for: Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure

[redacted]
[redacted]
[redacted]
[redacted]

[redacted]
Juneau, Alaska
[redacted]
[redacted]
[redacted]

House of Representatives

March 12, 1980

DISTRICT 14:

BELLSFLATS
CHINIAK
KODIAK
OUZINKIE

Kunio Adachi
2715 - 48th Ave. S.W.
Seattle, Washington 98116

Dear Mr. Adachi:

Thank you for expressing your interest in the interim report on Foreign Investment in the Alaska Seafood Industry. Enclosed are the two copies you requested. Please feel free to comment on the report or related areas of interest.

Sincerely yours,

Linda M. Smith

for: Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure

P.O. Box 4855
Kodiak, Alaska 99615
(907) 486-8254

House of Representatives

Juneau, Alaska
99811
(907) 465-4926
465-4981

March 11, 1980

DISTRICT 14:

Bellsplats
Chiniak
Kodiak
Ouzinkie

Comex International
600 1st Avenue
Suite 631
Seattle, Washington 98104

Dear Sir/Ma'am:

Thank you for informing us of your interest in the interim committee report on Foreign Investment in the Alaska Seafood Industry. Enclosed is the requested copy and we apologize for the delay brought on by waiting for the second printing. Please feel free to comment on this report or related areas. Thank you.

Sincerely yours,

Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure

FRED F. ZHAROFF
P.O. Box 486
Kodiak, Alaska 99615
(907) 486-3884

Juneau, Alaska
99811
(907) 465-4980
465-4981

House of Representatives

March 11, 1980

DISTRICT 14:

BELLSPLATE
CHINIAK
KODIAK
OUZINKIE

American President Lines, Ltd.
P.O. Box C81411
Seattle, Washington 98108

Attention: James D. Weimer, Mgr.,
Alaska Sales and Service

Dear Mr. Weimer:

Thank you for expressing your interest in the interim committee on Foreign Investment in the Alaska Seafood Industry. Enclosed in the requested copy of their report. Please feel free to comment on this report or related areas. Thank you.

Sincerely yours,

Lynn M. Smith

for: Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure

FRED F. ZHAROFF
P.O. Box 403
Kodiak, Alaska 99615
(907) 486-5854

Juneau, Alaska
99811
(907) 465-2696
465-4981

House of Representatives

March 11, 1980

DISTRICT 14:

Bellsplats
Chiniak
Kodiak
Ouzinkie

Pacific Fishing
2208 N.W. Market St.
Seattle, Washington 98107

Attn: Michael Parker, Office Mgr.

Dear Mr. Parker:

Thank you for expressing an interest in the interim committee report on Foreign Investment in the Alaska Seafood Industry. Enclosed is the requested copy of the report and we apologize for the delay brought on by waiting for the second printing. Please feel free to comment on this report or related areas. Thank you.

Sincerely yours,

Linn M. Smith

for Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure

P.O. Box 486
Kodiak, Alaska 99615
(907) 486-3884

Juneau, Alaska
99811
(907) 465-4926
465-4981

House of Representatives

March 11, 1980

DISTRICT 14:
BELLSFLATS
CHINIAK
KODIAK
OUZINKIE

University of Washington
College of Fisheries
Fisheries Research Institute
260 Fisheries Center
Seattle, Washington 98195

Dear Sir/Ma'am:

Thank you for expressing an interest in the interim committee report on Foreign Investment in the Alaska Seafood Industry. Enclosed is the requested copy and we apologize for the delay in waiting for the second printing. Please feel free to comment on this report or related areas. Thank you.

Sincerely yours,

Lina M. Smith

for: Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure

MEMO

To: Rep. Fred Zharoff

From: W.P. Dougherty

Subject: Corporate annual reporting deficiencies

Please find enclosed copies of current annual reports for the following corporations: Wards Cove Packing Co., North Pacific Processors, Alaskan Marine Products, Alaska Pacific Seafoods, Excursion Inlet Packing Co., Engstrom Brothers Co. and Egegik Packing Co.

You requested such forms to illustrate the types of deficiencies in corporate annual reporting that are replete in the state files maintained by the Corporations Section of the Division of Banking and Securities. The problems exhibited are as follows:

WARDS COVE PACKING CO. This company states in answer to question #10 that it has no alien affiliates. However, a glance at the ownership of the firm (Exhibit B, page 3) shows that Wards Cove is owned 9 percent by Marubeni Corp., a Japanese company active in the Alaska fishing industry. Because question #10 is answered incorrectly, the name Wards Cove Packing would not appear on any computer printout of companies with foreign affiliates. Oversights such as this greatly dilute the usefulness of any printout designed to isolate firms with foreign affiliates.

(more)

EGEGIK PACKING CO. The annual report for this company is an intriguing example of information concealment. To both the alien affiliation and 5 percent ownership questions, the company refers readers to Exhibit A, page 3. On the exhibit page, company management responds that o shares of the company are controlled by alien affiliated entities.

This is misleading in several ways. First, the law is not nearly as narrow as this answer ·plies (please examine verbatim phrasing on form). If the question were answered truthfully, in compliance with statutory requirements, Egegik's management would point out that since the firm is owned by New England Fish Co., which has foreign (Canadian) stockholders, those same foreign affiliates should be shown on the Egegik report.

If the company's answer to the 5 percent ownership question is read carefully, it becomes apparent that the company has failed to answer the question at all. While the annual report requires disclosure of the names and addresses and actual percentages of holdings of all stockholders with 5 percent or more of the stock, Egegik reveals none of this. Instead the company answers a totally different question, to wit: In what companies is Egegik a shareholder? This serves to avoid disclosing the required information.

But Egegik does reveal that it owns half of a company in partnership with a Japanese-owned American company. This further indicts the truthfulness of the answer to the alien affiliation question, since it points out another alien affiliation that should have been, but was not, noted by the company.

ENGSTROM BROTHERS CO., ALASKAN MARINE PRODUCTS In these annual reports, company management identifies stockholders with 5 percent or more of the stock, but it fails to give the actual percentage, as required by law.

EXCURSION INLET PACKING CO. I suspect that this form is deliberately false in stating that no stockholder owns 5 percent or more of the outstanding shares of stock. I have neither confirmed nor refuted this suspicion as of today.

ALASKA PACIFIC SEAFOODS This company's annual report says flatly that it has no alien affiliates. But the report shows it is owned 100 percent by NORTH PACIFIC PROCESSORS. If you will turn to the annual report for North Pacific Processors, you may note that it is owned 50 percent by the American subsidiary (Marubeni America Corp.) of Marubeni Corp. of Japan. This clearly defies the disclosure statutes relating to alien affiliates, since a Japanese stockholder is involved, either directly or indirectly, in both companies. Neither of these corporations, therefore, would appear on the computer printout of firms with alien affiliates.

Because of the difficulty of making readable copies of these annual reports, I am sending this complete memo only to you and not to other members of the committee. If you think it important enough, other packets such as this could be prepared. I did not

do so primarily because it involves a special request of the employees in the corporations section, and I find myself making enough extra work for them as it is. If this is not satisfactory with you, please let me know and I will follow your guidance.

Also, I understand that Julius Brecht sent you a copy of the computer printout of companies with alien affiliates. I will enclose here a copy of my list of companies owned in whole or in part, directly or indirectly, by the Japanese. You may want to compare the lists to check the thoroughness of the state's record.

have changed

JAPANESE OR PARTLY JAPANESE OPERATOPS IN 1977

1. **Alaska Far East Corp.**
2. **Alaska Pacific Seafoods Inc.**
3. **Alaska Star Inc.**
4. **Alaskan Marine Products Inc.**
5. **Bering Sea Fisheries Inc.**
6. Cordova Bay Fisheries Inc.
7. Craig Fisheries Inc.
8. Dutch Harbor Seafoods Ltd.
9. Harbor Seafoods Co. Inc.
10. Juneau Cold Storage
11. Kodiak King Crab Inc.
12. Morpac Inc.
13. North Pacific Processors Inc.
14. Olympic Fish Products Inc.*
15. Orca-Pacific Packing Co.
16. E.C. Phillips & Son Inc.
17. S.A. Packers Inc.
18. Sagaya Alaska Seafoods Ltd.
19. Sitka Sound Seafoods Inc.
20. Togiak Fisheries Inc.
21. Universal Seafoods Ltd.
22. Vita Foods
23. Wards Cove Packing Co.
24. Red Salmon Co.
25. Whitney-Fidalgo Seafoods Inc.
26. Mokuhana Fisheries
27. B&B Fisheries

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

OK

13798-D

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
500,000	Common		No par value

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
100,000	Common		No par value

ALASKAN MARINE PRODUCTS, INC.

[redacted] "B" TO ANNUAL REPORT

[redacted]

Name and Address of Each Nonresident Alien Affiliate:

Kaichi Iwakiri, or Iwakiri Suisan Co., Ltd., a Japanese Corporation
P. O. Box 317 (ECB)
Anchorage, Alaska 99501

EXHIBIT "B" TO ANNUAL REPORT

ALASKAN MARINE PRODUCTS, INC.

1. Thomas A. Casey
P. O. Box 2976
Kodiak, Alaska 99615

2. Kaichi Iwakiri, or
Iwakiri Suisan Co., Ltd.,
a Japanese Corporation
P. O. Box 317 (ECB)
Anchorage, Alaska 99501

Engstrom Brothers

Box 98 Juneau

ACTUALLY ENGAGED IN ALASKA

Fur Farming

X AGGREGATE NUMBER OF SHARES WHICH CORPORATION HAS AUTHORITY TO ISSUE ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE, AND SERIES, IF ANY WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
500	COMMON		100.

7 AGGREGATE NUMBER OF ISSUED SHARES ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE AND SERIES, IF ANY WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
510	Common		100.

8 THE AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON DECEMBER 31 $ 51000.

9 YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS IF DIRECTORS AND OFFICERS ARE THE SAME PEOPLE WRITE IN "SAME" IN THE APPROPRIATE AREA.

	NAME	COMPLETE ADDRESS
DIRECTORS		
OFFICERS	1 2 3	

10 ATTACH AS EXHIBIT "A" THE NAME AND ADDRESS OF EACH NONRESIDENT ALIEN AFFILIATE IF YOU HAVE SOME, INDICATE ON THE SPACE PROVIDED SEE REVERSE FOR EXPLANATION

11 [illegible]

DATED 1/10 [illegible] 52

BY [signature]

TITLE [illegible]

ATTESTED BY [illegible]

October 76

Elton E Engstrom Box 723, Juneau

...OF THE STATE OR COUNTRY OF Alaska

...Bgegik, AK 99579

...C T CORPORATION SYSTEM

...BLDG

..., AK 99801

...Acquisition and

...for resale.

...ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE, AND SERIES, IF ANY, WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
100,000	COMMON		1.00

...ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE AND SERIES, IF ANY WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
1,000	COMMON		1.00

8. THE AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON DECEMBER 31 $1,000.00

9. YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS IF DIRECTORS AND OFFICERS ARE THE SAME PEOPLE WRITE IN "SAME" IN THE DIRECTORS AREA

		NAME	COMPLETE ADDRESS
DIRECTORS	1 2 3	See attached Exhibit "A"	
OFFICERS	1 2 3	See attached Exhibit "A"	

10. ATTACH AS EXHIBIT "A" THE NAME AND ADDRESS OF EACH NONRESIDENT ALIEN AFFILIATE IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED SEE EXHIBIT "A" (SEE REVERSE FOR EXPLANATION)

11. ATTACH AS EXHIBIT "B" A NAME AND ADDRESS OF EACH PERSON HAVING A DIRECT OWNERSHIP OR CONTROL OF AT LEAST 5 PERCENT OF THE SHARES OF ANY CLASS OF SHARES AND THE PERCENTAGE OF SHARES OWNED BY THAT PERSON. EXHIBIT "B" SHALL CONTAIN THIS INFORMATION AS OF SEPTEMBER 30 OF THE REPORTING PERIOD. IF YOU HAVE NONE, INDICATE IN THE SPACE PROVIDED

BGEGIK PACKING COMPANY

DATED January 28, 1979

CORPORATE SEAL

BY E. C. Merritt

TITLE Secretary

ATTESTED BY

Corporation Franchise Tax Statement
State of Alaska

EXHIBIT "A"

EGEGIK PACKING COMPANY
OFFICERS AND DIRECTORS

Officers

Name & Title	Address
C. R. Rogers President	4th & Vine Bldg. Seattle, WA 98121
P. N. Rogers Vice President	4th & Vine Bldg. Seattle, WA 98121
I. L. Fox Vice President	153 Queen Anne Ave. North Seattle, WA 98119
S. A. Drugge Treasurer	4th & Vine Bldg. Seattle, WA 98121
E. C. Merritt Secretary	4th & Vine Bldg. Seattle, WA 98121

Directors

P. N. Rogers	4th & Vine Bldg. Seattle, WA 98121
I. L. Fox	153 Queen Anne Ave. North Seattle, WA 98119
C. R. Rogers	4th & Vine Bldg. Seattle, WA 98121
A. J. Petrie	4th & Vine Bldg. Seattle, WA 98121

This is to certify that this is a true and correct list of officers and directors as of this 19th day of January 1979.

Corporation Franchise Tax Statement
State of Alaska

EXHIBIT "A" - Page Two

Egegik Packing Company has no outstanding shares controlled by an affiliate which is a non-resident alien or a corporation whose place of incorporation is outside the United States.

Egegik Packing Company has a 50% interest in a partnership known as New England-Marubeni Seafoods Company. The remaining 50% interest is held by Marubeni Alaska Seafoods, Inc., an Alaska corporation, which the Egegik Packing Company understands is controlled by certain Japanese interest.

The management responsibility for the partnership rests with a Management Committee consisting of representatives of both partners. Egegik Packing Company therefore disclaims that either New England-Marubeni Seafoods Company or Marubeni Alaska Seafoods, Inc., is an affiliate.

New England-Marubeni Export Company, a Washington corporation, is a wholly-owned subsidiary of New England-Marubeni Seafoods Company. For the reason stated above, Egegik Packing Company disclaims that New England-Marubeni Export is an affiliate.

EGEGIK PACKING COMPANY

Date: January 19, 1979

By: E. C. Merritt

E. C. Merritt, Secretary

...BOARD SEA PRODUCTS CO. ... DE...

1. CORPORATION IS ORGANIZED UNDER THE LAWS OF THE STATE OR COUNTRY OF ...

2. ADDRESS OF PRINCIPAL CORPORATION OFFICE ... 98102

3. REGISTERED AGENT C T CORPORATION SYSTEM

FILE CHANGE ON FORM 10-...

4. REGISTERED OFFICE IN ALASKA 201 MOA BLDG JUNEAU, AK 99801

FILE CHANGE ON FORM 10-...

5. CHARACTER OF BUSINESS IN WHICH CORPORATION IS ACTUALLY ENGAGED IN ALASKA Seafoods Processing

6. AGGREGATE NUMBER OF SHARES WHICH CORPORATION HAS AUTHORITY TO ISSUE ... ITEMIZED BY CLASSES PAR VALUE OF SHARES SHARES WITHOUT PAR VALUE AND SERIES IF ANY WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
1,...0	COMMON		100.00

✓ AGGREGATE NUMBER OF ISSUED SHARES ITEMIZED BY CLASSES PAR VALUE OF SHARES SHARES WITHOUT PAR VALUE AND SERIES IF ANY WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE

8. THE AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON ... EMBER 31 $ 6...,...00

9. YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS IF SOME PERSONS ARE BOTH DIRECTORS AND OFFICERS YOU MAY LIST THE SAME PEOPLE WRITE IN SAME IN THE DIRECTORS AREA

		NAME	COMPLETE ADDRESS
DIRECTORS	1	Brindle, Alec	1...3rd NE, Seattle, Wa
	2	Gilbert, J.B.	1...5 - 14th NE, Seattle, Wa
	3	Brindle, Harold	1...5 - 8th NE, Seattle, Wa
OFFICERS	1	Gilbert, J.B.	same as above
	2	Brindle, Alec	same as above
	3	Gaasch, Peter	10573 - 11th NE, Seattle, Wa

10. ATTACH AS EXHIBIT A THE NAME AND ADDRESS OF EACH NONRESIDENT ALIEN AFFILIATE ... HAVE NONE INDICATE IN THE SPACE PROVIDED NONE SEE REVERSE FOR EXPLANATION

11. ATTACH AS EXHIBIT B A NAME AND ADDRESS OF EACH PERSON HAVING A DIRECT OWNERSHIP OR CONTROL OF AT LEAST 5 PER CENT OF THE SHARES OR 5 PERCENT OF ANY CLASS OF SHARES AND THE PERCENTAGE OF SHARES OWNED BY THAT PERSON EXHIBIT B SHALL GIVE THE OWNERSHIP AS OF SEPTEMBER 30 OF THE REPORTING PERIOD IF YOU HAVE NONE INDICATE IN THE SPACE PROVIDED NONE

DATED Jan. 29 1972

CORPORATE SEAL

BY Gary Rivers
Assistant Superintendent

ATTESTED BY ...

Alaska Pacific Seafoods

[redacted], INC. [redacted]

[redacted] THE STATE OF [redacted]

[redacted]

5. REGISTERED AGENT [redacted]

NORTH PACIFIC PROCESSORS
CORDOVA , AK 99574

6. REGISTERED OFFICE IN ALASKA [redacted]

7. CHARACTER OF BUSINESS IN WHICH CORPORATION IS ACTUALLY ENGAGED IN ALASKA Seafood Processing

8. AGGREGATE NUMBER OF SHARES WHICH CORPORATION HAS AUTHORITY TO ISSUE ITEMIZED BY CLASSES PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE, AND SERIES, IF ANY WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
1,000	COMMON		.10

9. AGGREGATE NUMBER OF ISSUED SHARES ITEMIZED BY CLASSES PAR VALUE OF SHARES SHARES WITHOUT PAR VALUE AND SERIES, IF ANY WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE
10,000	Common		10.00

10. THE AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON DECEMBER 31 $ 100,000

11. YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS IF DIRECTORS AND OFFICERS ARE THE SAME PEOPLE WRITE IN SAME IN THE DIRECTORS AREA

		NAME	COMPLETE ADDRESS
DIRECTORS	1	E. A. Deubenbeck	2155 N. Northlake Way Seattle, WA 98103
	2	Fred N. MacDill	2155 N. Northlake Way Seattle, WA 98103
	3	[redacted]	[redacted]
OFFICERS	1	E. A. [redacted]	[redacted]
	2	[redacted]	[redacted]
	3		

12. ATTACH AN EXHIBIT "A" THE NAME AND ADDRESS OF EACH NONRESIDENT ALIEN AFFILIATE IF YOU HAVE NONE INDICATE IN THE SPACE PROVIDED NONE (SEE REVERSE FOR EXPLANATION)

13. ATTACH AN EXHIBIT "B" A NAME AND ADDRESS OF EACH PERSON HAVING A DIRECT OWNERSHIP OR CONTROL OF AT LEAST [redacted] OF ANY CLASS OF SHARES AND THE PERCENTAGE OF SHARES HELD BY EACH (EXHIBIT "B" SHALL COVER THE OWNERSHIP AS OF SEPTEMBER 30 OF THE REPORTING PERIOD IF YOU HAVE NONE INDICATE IN THE SPACE PROVIDED

DATED 1/3 19 91

North Pacific Processors Inc.

BY [redacted]

TITLE [redacted]

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