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Nels A. Anderson, Jr.  
Box 234  
Dillingham, Alaska 99576  
Phone: (907) 842-5302 2366

April 2, 1981

Governor Jay Hammond  
Pouch A  
Juneau, AK 99811

Dear Governor Hammond:

I was encouraged and disappointed when I read the "Bristol Bay Task Force" report approved by yourself on March 23, 1981. I felt that the recommendation for a marketing study is a short, halting, positive step in the right direction. However, I was deeply disturbed by the Gestapo-type reaction to so-called threats of violence during price disputes in Bristol Bay.

Please understand that I am not critical of the people who prepared the report because it does focus on one of the roots of the problem of getting a reasonable price for salmon in Bristol Bay.

The situation in Bristol Bay is a pond of pandemonium and chaos at this time. No quick-fix task force can study the problem, make recommendations, implement a plan and expect results in two months' time. However, I am encouraged to see some attempt to help fishermen establish a firm footing by getting basic data on the table as both sides bargain for a fish price.

I am disturbed by section B found on page 11 entitled "Controlling the Climate of the Negotiations". The title itself is enough to scare the most stalwart fishermen in Bristol Bay. Perhaps that was the intent, but I cannot believe that you would condone the use of force and violence to "control" negotiation climates. My reaction to that section is one of disbelief and confusion. Many fishermen are embittered by this section.

Section B is so one-sided that I fail to believe what I read when there has never been any killing of any person by violence in the history of the fish price negotiations. Although the report implies that the general welfare is to be protected, it looks as though it's the processors who are to be in possession of the armed forces of the state.

I don't want to belittle the "threats of violence and intimidation" but I can't help but note that fish processors have their own forms of intimidation. It is the threat of economic retaliation if a fisherman doesn't do what is best for the processor. Fishermen are told that if there is no settlement then there is no credit, no nets, no boat launching, no boat storage, no cannery mechanic etc., etc. There are also threats of ramming fishermen's boats by cannery skows. In fact, I believe there was such a ramming that took place last year.

I hope that you will reverse the outlay of public funds by appropriating \$50,000.00 for discreet surveillance of potential violence and \$320,000.00 for

*Nels A. Anderson, Jr.*

*Box 234*

*Dillingham, Alaska 99576*

*Phone: (907) 842-5802 2366*

a comprehensive marketing study for Bristol Bay. In addition, I hope you will continue to support a longer airfield in Dillingham to allow large 747-type aircraft to fly fish out. Finally, the development of Seafood Industrial Parks would be most helpful in providing additional markets for our fishermen who are finding themselves without canneries to fish for. A Seafood Industrial Park in Naknek or King Salmon and Dillingham would attract canning, freezing and specialty processing thus increasing the market for our fish.

Thank you for your consideration. Please call or write if you have any questions about the points I raised.

Very sincerely,

Nels A. Anderson, Jr.

cc: Senator George Hohman  
✓ Rep. Joe Chuckwuk

4-7-81

BB - SB 323

~~#001~~

How determine if + when  
contingency plan for  
BB is put into effect?  
- what criteria?  
- who decides

SWAT    GESTAPO    PINKERTON

BB-2

32 droppers - 1 helicopter, Vigilant, Bullwhacker

<sup>some</sup> of fishermen want to fish  
while others blockade -

- protect those who want to  
fish -

Commitment by April 15

Roger Painter, UFA

-- would bring potential of a side door  
 Prop. would work against efforts to defuse situation

BB. Native Association recommendation

No processors have participated in  
 hearings or meetings to deal w/ issues

There's been no effort to bring sides together

Do they only negotiate on price?

No enforcement of fisheries regulations

→ better capabilities of F&W enforcement

Fishermen singled out as culprit - but  
 there are two parties - need to  
 bring them together & resolve problems

BB 4

Jack McBride  
BB Agricultural Assn

MTG w/ Gov. - Task Force

→ meets next week to consider steps to bring about price settlement

→ Put money into <sup>TFW</sup> enforcement, if necessary - divert to BB law enforcement.

Jack McBride

"1980 enforcement was adequate" - would nothing

Problem in 1981 not as serious as '80  
→ price 1.25 in 79, ... 1980 - -  
→ price will

→ HOW USE THE \$20K CONSTRUCTIVELY

Sen Sharp. common ✓✓ dec's ✓✓

Sidney Smith, BB, Nushagak Fish Prod Coop

Archie Goddard, ~~Therek~~

Problem are not the fishermen  
but the outside corporation  
- not threaten fishermen as done  
in this bill

If consider bill:

- BB branch has police powers - cops?
- come in only at request of local authority - then be under direction of uninc. authority - x

Japanese have manipulated our govt  
to use our st troopers agst  
our people  
- decisions are made in Tokyo boardroom  
- they've raped us.

Current admin. intent on quashing fishermen

→ local fishermen process &  
market fish

BB-6

Hank Oshesky

J

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March 24, 1981

The Honorable Jalmar Kerttula  
President of the Senate  
Alaska State Legislature  
Pouch V.  
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Public Safety.

The appropriation would cover the cost of five boat charters and related operations costs in Bristol Bay during the 1981 salmon season. ~~The money would be used only if special trooper patrol and surveillance activities became necessary due to disputes between fishermen and buyers concerning fish prices.~~

WHO  
DETERM.  
CRITERIA

These activities became necessary during the 1980 fishing season in Bristol Bay, because of fish price disputes. This appropriation will allow the Department of Public Safety to be prepared if the same problems arise this summer.

Since the period during which this money would be used extends into FY 82, the appropriation has a lapse date of June 30, 1982.

Sincerely,

S/SSH  
Jay S. Hammond  
Governor

Special Assistant  
to the Governor

FILE NO

50712

TELEPHONE NO: 465-4322

FROM: William R. Nix *WMM*  
Commissioner  
Department of Public Safety

SUBJECT: Bristol Bay  
Approximate Costs

Following are the approximate costs for the five (5) boat charters concerning the Bristol Bay contingency plan:

Boat Charters 6/8/81-7/7/81

\$1000.00 per day x 30 days x 5 boats = \$150,000  
Actual fuel costs only for those  
boats in transit to and from  
Bristol Bay, not to exceed 5000.00.  
5 x 5000.00 = 25,000

If contractor provides operator  
during charter 6/8/81-7/8/81 cost  
for operator, not to exceed  
5000.00.  
5 x 5000.00 = \$ 25,000

Total \$200,000

Department Costs

15 Troopers at Sea Duty Pay rate of  
pay Overtime only = \$ 51,000

Transportation cc/from Bristol Bay = 8,900

Per Diem, travel status only 4,400

Equipment - rain gear, survival  
suits, boots, 385 x 15 = \$ 5,800

Total \$ 70,100

GRAND TOTAL \$270,100

- WHEREAS, The salmon price negotiation in the Bristol Bay salmon fishery have been with us since the demise of the company fisherman; and
- WHEREAS, The Governor for the second year in a row, has appointed a Task Force to help resolve this problem; and
- WHEREAS, The most important players in this problem (fishermen and processors) have not been appointed to the Task Force; and
- WHEREAS, The Task Force, for the second time in a row, has not understood the basis of the problem; and
- WHEREAS, The Task Force chose to look no deeper than the surface of the issues; and
- WHEREAS, This year's Task Force made two recommendations--one of which is clearly detrimental to the resident fishermen of Bristol Bay; and
- WHEREAS, This recommendation is for a legislative appropriation of over \$300,000 for troopers to be stationed in the Bay; and
- WHEREAS, No one has ever been hospitalized, arrested, nor found guilty of a violent crime connected to price disputes in Bristol Bay; and
- WHEREAS, The Task Force's recommendation clearly shows a biased opinion of the problem and reflects that bias; and
- WHEREAS, Such a recommendation reflects an untrue picture to the people of Alaska that Bristol Bay fishermen are highly violent; and
- WHEREAS, Such a recommendation for increased troopers in Bristol Bay could cause the situation to become intense and explosive; and
- WHEREAS, The Task Force has, in fact made a recommendation which basically declares war on resident Bristol Bay fishermen;

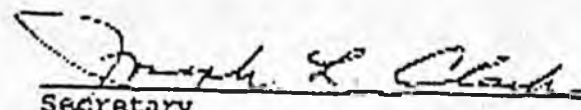
NOW THEREFORE BE IT RESOLVED by the Executive Committee of Bristol Bay Native Association that the Legislature of the State of Alaska renounce this recommendation and let said recommendation die a non-violent death.

Phillip P. Johnson  
President

March 25<sup>th</sup>

**CERTIFICATION:**

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee is composed of 10 members of whom 9 were present at a meeting this 25th day of March, 1981 and that the foregoing resolution was adopted by the affirmative vote of 9 members.

  
Secretary

April 2, 1981  
Date

SB 231 - ASHA  
SB 232 - ASHA Older Alaskans housing \$ 10 million  
SB 233 - ASHA - creating Older Ak housing

SB 234 - ASHA handicapped + family  
SB 235 - ASHA handicapped + family \$ 15 million

~~ASHA subtotal \$ 25 million~~

SB 311 C+RA Sr. Cit housing \$  
SB 312 C+RA Sr. Cit housing \$ 16 million

~~C+RA subtotal \$ 16 million~~

Proposed additional:

SB 408 - Transfer ASHA to C+RA

SB 409 - C+RA housing study

SB 410 - C+RA housing study \$ 450,000

Total passed out + proposed \$ 41,450,000

# MEMORANDUM

# State of Alaska

TO: The Honorable Vic Fischer  
Alaska State Senator  
Juneau

DATE: April 13, 1981

FILE NO:

TELEPHONE NO: 465-4322

FROM: William R. Nix *WRN*  
Commissioner  
Department of Public Safety

SUBJECT: SB 323

In regard to the Committee Substitute concerning Bristol Bay Fisheries Protection, the following represents our needs related to the purchase and supporting costs of one (1) vessel and the lease of one (1) vessel. The purchased vessel will also be used in the Togiak and Sand Point fisheries.

If appropriated, the funds will be used as follows:

Personal Services (overtime/sea-duty)	30.6
Travel (transportation and per diem)	8.0
Contractual Services	39.0
Equipment (purchase of one (1) vessel and specialized gear)	<u>133.5</u>
TOTAL	211.1

cc: Ron Lehr, Budget & Management  
Mike Whitehead, Office of the Governor  
Col. Stickles, Fish & Wildlife Protection, DPS  
Walt Lawson, Administrative Services, DPS

//

Protection

Special Judiciary Hrg Comm.

Gov's Bristol Bay Task Force  
Rec #270,100

#200K for vessels - if price  
settlement - \$wasted

1/11



# UNITED FISHERMEN OF ALASKA

MAILING ADDRESS & OFFICE:  
197 SOUTH FRANKLIN ST.  
JUNEAU, ALASKA 99801  
907 586-2820

April 10, 1981

Rodger Painter  
Executive Director

TO: Senator Vic Fischer  
FROM: Rodger Painter  
RE: Senate Bill 323

In light of the testimony before the Senate State Affairs Committee and special Senate Judiciary Hearing Committee on Bristol Bay, it is clear that Commissioner William Nix's proposal for dealing with the public protection question in Bristol Bay would cause more problems than it would solve. In addition to angering many fishermen and local residents, the proposal represents a potential unnecessary expenditure of state funds amounting to \$200,000 (Commissioner Nix testified the \$200,000 for chartering 5 vessels had to be committed by April 15).

There are valid concerns, however, about the ability of the Department of Public Safety to respond adequately to public protection problems connected with a price dispute between fishermen and processors. Bristol Bay is situated in one of the most undeveloped, isolated areas of Alaska, and it would be difficult for the Department to respond quickly to any emergency in the Bay unless the needed equipment, in this case vessels, is already on hand. Although the UFA does not believe it can be demonstrated that a public protection emergency now exists in the Bay or there are sufficient indications that one will develop during 1981 to warrant the kind of response capabilities requested by Commissioner Nix, it may be prudent public policy to ensure that the Department has backup capabilities in this isolated area.

What can be easily demonstrated in Bristol Bay and the nearby coastline north of Cape Newenham is the need for substantially upgrading the capabilities of the Division of Fish and Wildlife Protection to enforce commercial fishing regulations. The Division currently uses small Boston Whalers in most areas and has no vessel capabilities at all on other areas of the sprawling Bay fishing grounds. At the important Ugashik River system, for instance, there is virtually no enforcement presence. In addition, the Division does not have adequate capabilities to police the very significant Bristol Bay herring fishery, or vessels to run around Cape Newenham to the Security Cove-Goodnews Bay area to enforce regulations in the herring and salmon fisheries.

When there is inadequate enforcement of fish and game regulations honest fishermen who observe the rules are penalized. Enforcement is necessary to protect the biological integrity of our important fisheries resources.

If S.B. 323 is amended to give the Division of Fish and Wildlife Protection enough funds to purchase two or three 32 foot gillnet vessels, some of the larger enforcement problems of this area can be dealt with. This also would provide the Department with the backup capability necessary to respond to a public protection problem in Bristol Bay. It should be very simple for the Department to transfer the vessels from one division (Fish and Wildlife Protection) to another (Troopers).

If these vessels are purchased by the Division of Fish and Wildlife Protection, they also could be made available to the Department of Fish and Game for some of the crucial test fisheries used as primary management tools for the Bristol Bay salmon fisheries. ADF&G currently has only one gillnetter (stationed at Nushagak River) for test fishing; vessels are chartered for test fishing at the Naknek, Kvichak and Egigik Rivers, as well as the "outside" districts of the Bay.

Original Sponsor: Rules/Governor

Funding Information

General Fund \$211,100

Other Funds

\$211,100

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 323 (State Affairs)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making appropriations to the Department of  
7 Public Safety for fish and wildlife protection; and  
8 providing for an effective date."

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10

\* Section 1. The sum of \$77,600 is appropriated from the general fund to  
11 the Department of Public Safety for fish and wildlife protection in Bristol  
12 Bay.

13

\* Sec. 2. The sum of \$133,500 is appropriated from the general fund to  
14 the Department of Public Safety for the purchase of one vessel and related  
15 equipment to be used for fish and wildlife protection in the Bristol Bay  
16 fishery and in the Togiak and Sand Point fisheries.

17

\* Sec. 3. The unexpended and unobligated portions of the appropriations  
18 made by this Act lapse into the general fund June 30, 1983.

19

\* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
20 070(c).

21

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23

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25

Funding Information  
General Fund \$270,100  
Other Funds -0-  
\$270,100

Introduced: 3/24/81  
Referred: State Affairs and  
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 323

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Public Safety to pay Bristol Bay charter  
8 and operations costs; and providing for an effective  
9 date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. The sum of \$270,100 is appropriated from the general fund  
12 to the Department of Public Safety to pay Bristol Bay charter and operations  
13 costs.

14 \* Sec. 2. The unexpended and unobligated part of the appropriation made  
15 in this Act lapses into the general fund June 30, 1982.

16 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

18 *state what all is for?*

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# Hammond calls for minority hire

By Empire Staff

To assure all state agencies recruit and hire minorities and women, Gov. Jay Hammond has instructed state agencies to do all they can to increase hire of "underutilized classes."

Hammond specifically said there should be an increase in the number of Natives, women and racial minorities hired by the state. The governor said he wants to make sure the state is doing all it can to implement affirmative action employment in Alaska.

Current merit system rules require a vacancy to be filled

from among the top five candidates on the state personnel register. Agencies can hire from other than the top five candidates "when unique or unusual circumstances are recorded by the appointing authority."

Hammond has requested state agencies which lack minorities or women to hire from a list of the top five overall candidates or from an additional list of the top five eligible candidates from the so-called underutilized class.

According to Bruce Cummings, director of the state Division of Personnel, if an agency

fails to meet state affirmative action goals it may submit a request to the Division of Equal Opportunity Employment for approval to hire other than one of the top five candidates for a job. If approved, the Division of Personnel will then furnish a list of candidates available for the job, and the agency is free to hire the most qualified woman, Native or racial minority.

The memo states "unique or unusual circumstances" exist when a state agency doesn't meet state affirmative action plans.

Hammond said under the

revised plan, no applicant will be denied employment solely on the basis of race or sex, and no one will be hired to fill specific "quotas."

"Rather, these procedures are designed to correct ... any underutilization of racial or sexual groups which may have resulted from pre-existing selection procedures or from their misapplication," Cummings said.

Cummings said the divisions of Equal Employment Opportunity and Personnel will be enlisted to help recruit women and minorities.

"The real test in our commit-

ment to affirmative action will be how hard we are willing to work to interest qualified minorities to work for the state. We will not hire strictly because of quotas. We will hire on the basis of ability, of getting qualified people to do the job," Hammond said.

At Hammond's urging, Cummings has formulated a plan allowing state agencies to hire from other than the top five candidates when it can be proven the agency employs fewer members of a racial or sexual class than the proportionate number of qualified persons in the job market.

## How much enforcement is enough?

J. Unuan Empire 4/13/81

# Bristol enforcement questioned

By The Associated Press

Beefing up the law enforcement effort at the Bristol Bay fishery this summer could trigger, rather than curb a threat of violence, the executive director of the largest fishermen's group in the state said last night.

Rodger Painter told the Senate State Affairs Committee that a bill (SB323) which would dump \$270,000 more into public safety at the peak of the Bristol Bay salmon run this season "would bring the potential of a strike a little closer. It would inflame the situation, and fishermen would be branded as criminals."

The expenditure was recommended by a task force appointed by the governor to investigate reports of violence stemming from a price dispute last summer between fishermen and processors. The Senate Judiciary Bristol Bay Hearing Committee said the request should be reviewed and funded if necessary.

Commissioner of Public Safety William Nix said the money would be spent to add 15 officers to the 35 stationed at Bristol Bay last summer, to charter five boats for surveillance, and for added helicopter patrol time.

Sen. Dick Eliason, R-Sitka, said a more secure environment is needed at Bristol Bay to protect "the rights of fishermen to pursue their livelihoods." Many Southeast Alaska fishermen worked during the price dispute, and were threatened.

Sen. Arliss Sturgulewski, R-Anchorage, a member of hearing committee, said public safety officers must stay out of price negotiations, and avoid the appearance of taking sides.

Sen. Terry Stimson, D-Anchorage, said he is concerned that the "razzle and dazzle kind of flash" that the Legislature is giving problems at Bristol Bay, and "increased law enforcement might precipitate violence." He suggested that action to boost law en-

forcement be delayed until needed.

But Ms. Sturgulewski said it is important to have law enforcement personnel on hand at the fishery because "you cannot get what you need out there on a moment's notice. People's lives are too valuable, the resource is too valuable" to waste time when a problem erupts.

Painter said fishermen and processors should be allowed to engage in collective bargaining at Bristol Bay. Currently, federal anti-trust laws require the two marketing associations representing more than half the fishermen at Bristol Bay to set prices with each processor separately.

Painter said the \$270,000 proposed for increased public safety would be better spent to uphold state fish and wildlife laws. He also urged lawmakers to give more attention to several recommendations from the legislative hearing committee.

Both the governor's task force and the legislative panel gave support to an ongoing marketing study sought by fishermen. However, Painter said that state officials wasted so much time getting started on the study that it will likely be worthless this season.

The legislative panel recommended that the state:

- analyze the fish processing structure at Bristol Bay, and suggest alternatives to the existing system.
- help local fishermen and fishermen's groups develop new markets rather than continuing to depend on processors.
- review of the performance of state agencies that deal with the fishery, and the distribution of state loans to processors. The panel said changes should be identified that would make new domestic processing and marketing operations clearly eligible for state aid.
- develop a list of facilities needed to support the expansion of the fishing industry and community needs in Bristol Bay.

# MEMORANDUM

# State of Alaska

TO: The Honorable Vic Fischer  
Alaska State Senator  
Juneau

DATE: April 13, 1981

FILE NO.

TELEPHONE NO: 465-4322

FROM: William R. Nix *WRN*  
Commissioner  
Department of Public Safety

SUBJECT: SB 323

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TOTAL	<u>211.1</u>

cc: Ron Lehr, Budget & Management  
Mike Whitehead, Office of the Governor  
Col. Stickles, Fish & Wildlife Protection, DPS  
Walt Lawson, Administrative Services, DPS

PART 4.

REPORT TO  
JAY S. HAMMOND  
GOVERNOR

BY  
BRISTOL BAY TASK FORCE

MARCH 23, 1981

Bristol Bay is not only one of the largest fisheries in Alaska - it has historically been one of the most troublesome. Since the 1950s, the fishery has been rife with animosity and strife between fishermen and processors. Strikes have been common with resultant waste of the resource until price settlements are achieved.

In 1980, the situation became critical. Negotiations between the major marketing associations and individual processors were confused and bitter, resulting in very little fishing until a settlement was reached in early July.

During the strike, threats of violence were directed by fishermen who refused to fish for the offered price against fishermen who wished to accept the offer. The threats were effective in reducing the effort until a price settlement was reached. The Department of Fish and Game estimates that as many as 21 million additional salmon could have been taken during the strike period, though cannery capacity probably would have reduced that number. Under any criteria, the loss in value was enormous; to fishermen, to canneries and to the State, which owns the resource. Moreover, coming on the heels of a strike in 1979, serious question has been raised as to how long other nations which presently are forbidden to take Bristol Bay salmon will remain quiet while millions of fish are wasted during domestic price disputes.

IMPLICATION

?

You requested that the task force review what happened in 1980, with a view toward recommending State action to ensure that whatever happened would not occur again. In an effort to do that, we have discussed the problem at length with nearly everyone involved. Either as a group or individually, we have spoken with representatives of most major processors, the directors and members of the major marketing associations, and a number of fishermen who are not committed to any marketing association. We have discussed the problem with legislators from the affected area. We also participated with the Legislature in holding hearings in Bristol Bay, both at Dillingham and Naknek, during which, residents of the area expressed their views. Final hearings were held in Juneau on the same subject.

The task force has met repeatedly to discuss the information available and to reach a decision as to concrete recommendations. The recommendations are contained in this report. Since they have already been discussed with you and with interested legislators, they will be outlined here only in their basic form. Moreover, since extensive reports have previously been prepared concerning Bristol Bay (particularly that done for the Legislative Affairs Agency last year), we will not spend time here with a lengthy historical review, except as it is necessary to explain the recommendations.

## The Nature of the Problem

The basic element which underlies the economic strife of Bristol Bay is the changes that have affected the fishery. A major change is the fairly recent shift from a cannery operated fishing fleet, subject to industry control, to a fleet of independent fishermen, less subject to that control. Independent fishermen have the right under federal law (15 USCA SS521, 522) to organize into marketing associations. These associations permit the fishermen to market their fish in a collective manner, a right, which but for the law, would be denied them under the anti-trust laws of the United States.

Marketing associations are not unions and do not have the powers granted to unions under the labor laws of the United States. They may not, for instance, establish prices which must be paid to all fishermen by processors [Hinton v. Columbia River Packers Association, (9th Cir. 1942) 131 F(2d) 88] or use traditional picketing and boycott methods against processors for that purpose. They may not, under law, interfere with the sale by non-members of the associations to processors with whom the associations are engaged in price disputes. They are exactly what the law states - marketing associations - and whatever power they have must come solely through the fact that they control a substantial supply of fish desired by industry.

In fact, however, the marketing associations in Bristol Bay have followed somewhat different patterns in negotiating prices for fish. While the leadership of the associations have made it clear that it is not official policy, there is no doubt that members of the associations individually and collectively, apply substantial pressure against both non-members and processors during negotiations, primarily to ensure that no fishing will occur in the absence of an association contract. In the absence of any legal power to accomplish this end, association members have adopted less sophisticated, but equally effective techniques - specifically those of intimidation. Association members are quite blunt about it - in their view, it is simply a part of the bargaining process - it always has been and it always will be. As a spokesman for the Bristol Bay Native Association put it in testimony to the Legislature: "Scare tactics...is a part of of a process of expression in the development of an agreement leading up to a price settlement."

The marketing associations are in a developing stage, and their procedures for negotiation are not very sophisticated. Aside from the "scare tactics," the procedures for adoption and ratification of contracts are unsettled. Last year, for instance, was the first time to our knowledge that any Bristol Bay marketing association (in this case AIFMA), did any kind of an economic study of the salmon market as a prelude to negotiation. The study suggested a settlement at

a certain level, but when the executive board of the association reached such a settlement, it was rejected in a mass meeting of the membership. Eventually, after much of the season went by, an approximately similar offer was accepted. The incident brings to light both the dearth of information on economic conditions available to the marketing association and the lack of any established procedures to analyze and ratify contract offers, short of what are bound to be tense and confused mass meetings.

The processors have equal difficulty in reaching settlement in a timely fashion. First of all, under law, since they are not dealing with unions, but with groups of independent fishermen, there can be no industry-wide bargaining. Any discussion or concerted activity between processors to reach a price settlement is a combination to set prices within the terms of the anti-trust laws. Since the processors have already been sued under these acts for collusion and are presently the subject of a federal investigation, they are particularly sensitive toward avoiding even basic communication between themselves. The result is confusion - the marketing associations deal with one processor, then with another in an attempt to set a price for the whole bay, but the processors have no real way of knowing what has been offered or the status of the negotiations elsewhere. There is also a great deal of historical animosity between processors and fishermen, dating from past times when fishermen

were employees of the canneries. Many fishermen feel that the processors have never come to accept them as truly independent, and that this failure is the root cause of the problem.

Whatever the cause, the bargaining process by which prices are set in Bristol Bay is primitive in nature. Communications are poor, the element of threat is constantly present, distrust is high. It is no surprise that the process often fails to produce a reasonable price settlement until the situation becomes absolutely critical.

In a traditional industry - union negotiation, the impact of failure in a bargaining process can be mitigated. For instance, if the steel industry and the steel union fail to agree on a price for labor, and a strike ensues, the economy is disrupted, but the disruption can be minimized by the fact that once the strike is settled, more steel can be made to make up the loss. In most fisheries, the impact of a strike of limited duration can also be rectified by increased processing at a later time. But in Bristol Bay, the season is so short, and the run of such a concentration, that the impact of a strike cannot be rectified. Once the fish are in the river, there is no way they can be recovered. The excess escapement may produce more fish five years hence, but according to our best biological assessment, it is not a one to one return, but wasteful over-escapement.

Moreover, unlike most industries, the product of the fishery,  
the salmon themselves, are a resource that belongs neither  
to the processors nor the fishermen. They belong to all the  
people of the State, and a loss due to a strike is not just  
limited to the participants in the strike. It is a waste of  
the public's resource.

The situation is further complicated by the fact that the  
State has, in essence, given the parties in Bristol Bay an  
exclusive right to develop and utilize this resource. The  
fishermen are protected against outside competition by the  
limited entry program, under which less than 3,000 gear  
licenses have been issued. The processors are protected by  
a series of State and federal statutes and regulations which  
prohibit foreign processors from entering the bay to compete  
directly for fish purchases. The State is presently com-  
pletely dependent upon the reasonable efforts of fishermen  
and processors at price negotiation to ensure adequate  
harvest of a public resource.

There is, therefore, a clear State interest at stake in  
Bristol Bay. But at the same time, it has to be kept clear  
that the problems to be addressed are those created by the  
clash of private interests in the economic marketplace. If  
these interests are unwilling or unable to solve their own  
problems, the State will have to take an active role in  
assuring that in some manner the salmon resource is adequately

harvested. Every opportunity, however, should be given the parties to deal with the problem themselves - primarily to develop a system of settling the price for salmon which alleviates the necessity of wasteful strikes. We see no role for the State in establishing the price to be paid for salmon or in telling the parties how to set the price. That type of intervention would have implications far beyond the price disputes in Bristol Bay. The whole thrust of the State's effort should be to create a climate within which the parties can work out their own disputes.

With few exceptions, all the parties involved in Bristol Bay recognize the need for some help in changing the present process of negotiation. Obviously, the suggestions as to what should be done differ. But out of all the discussion and hearings, two central themes have emerged, both of which have been endorsed by the task force for action. We will review them separately.

A. A Comprehensive Marketing Study for Bristol Bay

Salmon:

The executive boards of all fishermen's marketing associations, plus all independent fishermen who have made their views known to the task force, have asserted that the key to a more sophisticated bargaining process is information, and that the key element necessary is a

comprehensive marketing study for Bristol Bay salmon. The marketing associations claim that they have no way of knowing the basic data concerning prices for which salmon can be sold on the wholesale market, trends in those prices, and other factors which affect the amount that processors can reasonably pay fishermen for the raw product. The canneries have this information available to them - the fishermen do not. If they did, the fishermen assert, the parties would commence bargaining from the same point, and would have an easier time reaching a settlement.

Even those recommending the marketing study recognize that there will be some initial difficulty in establishing the study as an aid to the bargaining process. The best marketing study in the world will tell little about the individual experience of a particular processor, so there is a risk that even if the study is done by an impeccable authority, processors will still refuse to concede its relevancy. Moreover, there is a question as to the impact it will have on the marketing associations themselves. Last year, AIFMA produced just such a study, and it predicted a level of settlement nearly identical to that eventually reached. But a tentative settlement at that level by the AIFMA Board was nonetheless emphatically rejected early by the membership.

In spite of these considerations, the task force recommends that the State obtain and finance the requested study. It is the basic proposal made by the fishermen most intimately involved in the problem, and they claim that if a marketing study is done by an authority of good credentials, it will be accepted by both sides, and will be helpful in the bargaining process. Moreover, the study has real public value. The fisheries are a long-standing, major industry in Alaska, and there is a legitimate public interest, both on the part of the Legislature and the Administration, in having an accurate picture of the trends in the industry. Accordingly, we believe that the study should be done, not only for Bristol Bay, but for all of Alaska's salmon fishery.

There is inadequate time available this year to have a comprehensive study done for the entire State. There is time, however, to accomplish the study for Bristol Bay, so that it may be of use in the bargaining process. The Department of Commerce has already contacted a number of consultants who can perform the work. To ensure the credibility of the effort, the selection of a consultant will be done with the advice of all marketing associations and industry spokesmen who will be afforded the opportunity to comment on the proposals before a contractor is selected. The scope of the work, as well as a timetable for its completion, is

attached. The study should be completed by the end of the first week in May and will not exceed \$50,000 in cost to be funded from existing appropriations to your office.

As we move forward toward a more comprehensive annual review of marketing conditions throughout the salmon industry, we will have available this year's experience with the study in Bristol Bay. This will afford the Legislature, which will be required to appropriate future funds, the opportunity to see how the study operates in practice, and of what real use it is, both to the bargaining procedure and to the public at large.

B. Controlling the Climate of the Negotiations:

There seems to be no doubt that physical intimidation  
has been closely tied to the negotiation process in  
Bristol Bay for many years. As early as 1962, Governor Egan made a special trip to Bristol Bay to lower the tension that was building. Every strike since statehood, such as those in 1969 or last year, has had its own litany of threats by fishermen against processors or against other fishermen.

Much of the testimony before the legislative committee concerned how real the threats really were during last  
season's dispute. Many pointed out that no one was

killed or even seriously hurt and that there was no  
massive destruction of property. Others testified that  
the flash point was always nearby, that guns were  
present and that whatever the actual level of violence,  
the level of intimidation was real and sufficient to  
keep many fishermen who wanted to fish, on the beach.

It is difficult to determine how real the threats of violence really are - whether left alone, they would simply dissipate or have the potential to escalate into action. But, the key fact to us is that many fishermen and processing personnel who make their living in the Bay believe there is a real threat of violence and respond accordingly. Equally important, is the fact that what intimidation is taking place has been institutionalized. Many fishermen in the bay regard intimidation as an integral part of the bargaining process. So long as that is the case, threats of violence will attend any extended and difficult negotiation and the potential will always exist for real violence.

The pattern of intimidation goes back a long way and  
its not going to change overnight. But, it appears to  
us that the State must make a clear statement to the  
effect that intimidation cannot be a regular part of  
settling prices in Bristol Bay; that threats on life or  
limb are just as bad when they are made against fishermen

or processing personnel as when they are made against anyone else. To do this, we recommend that the Public Safety presence in the bay be increased substantially during this and probably future seasons until a new pattern of dealing with price negotiations emerges.

Commissioner Nix has prepared a memo covering what he intends to do in the bay this summer. It is attached. In addition, assuming that adequate funds are appropriated, the Commissioner is planning to charter five vessels so as to be able to patrol the bay from the water.

If a price settlement is not reached early, which would avoid the necessity for the expenditure of contemplated funds, the full cost for this program would be \$320,000. A bill has been drawn for submission to the Legislature in the amount of \$270,000. The remainder of the necessary funds are contained in a supplemental budget request already submitted to the Legislature. Since members of both houses have participated in hearings on this subject, they will certainly be knowledgeable on the subject and we are sure will have their own views as to whether the program is necessary. In our view, it is.

Bristol Bay is a fishery very much in transition. Cooperatives are being seriously discussed. Some fishermen are investing in small processor facilities,

and new marketing techniques are being developed. More processing is being done by floating rather than onshore facilities. There are a host of State programs ranging from Alaska Renewable Resources Corporation to Alaska Industrial Development Authority that can and should assist development of those new and different means of harvesting and processing fish in the bay. But the development must be permitted to occur peacefully. We believe the increased presence of law enforcement personnel will have some effect in reducing the tension level.

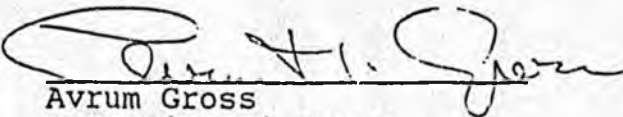
Some had suggested to the task force that additional steps should be taken as protection against violence on the fishing grounds--specifically the revocation of the limited entry permit belonging to anyone who was convicted of a violent act in connection with a fisheries price dispute. Aside from the very real difficulty in writing a satisfactory bill, we feel that this step is not appropriate at this time. Under present laws, there are substantial penalties for violence or threats of violence. What has been lacking is not so much the law as the ability to enforce it. That can be remedied directly and should be.

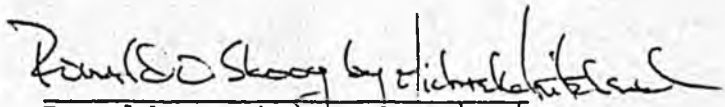
## Conclusion

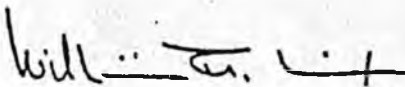
The basic approach of this task force has been to ask the parties involved what they thought would best help the situation, and then attempt to implement those suggestions into an effective government response. We did consider, along the way, more drastic government action, such as opening Bristol Bay both to foreign processors and all fishermen, limited entry permit or no, in circumstances where it appeared the parties would not reach a settlement. We concluded that such an approach is not called for at this time. There is no reason to assume that the fishermen and the processors in the bay cannot work this out by their own means with the assistance they have requested of the State.

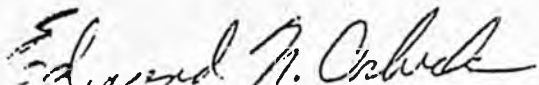
We intend, as you suggested, to monitor what happens in the bay this year, and make a second report to you after the season. We should then be able to assess whether what we have recommended has improved the situation, and if not, what further steps will be required.

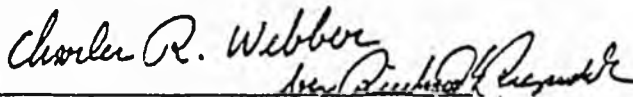
This report is respectfully submitted by members of the  
Bristol Bay Task Force, March 23, 1981.

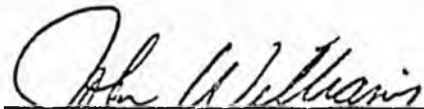
  
Avrum Gross  
Executive Director

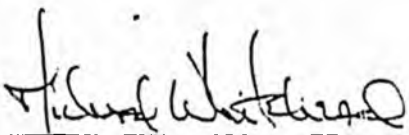
  
Ronald O. Skoog, Commissioner  
Alaska Department of Fish  
and Game

  
William R. Nix, Commissioner  
Alaska Department of Public  
Safety

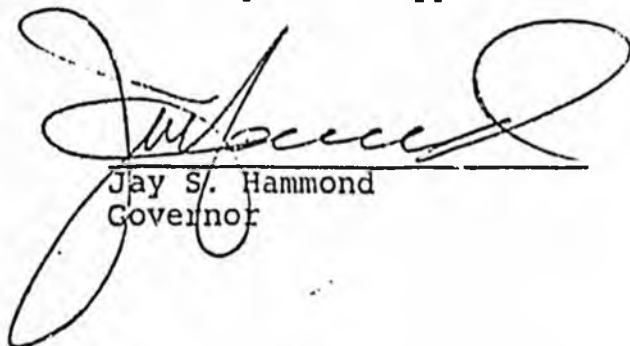
  
Edmund N. Orbeck, Commissioner  
Alaska Department of Labor

  
Charles R. Webber, Commissioner  
Alaska Department of Commerce  
& Economic Development

  
John Williams, Commissioner  
Commercial Fisheries Entry  
Commission

  
Michael Whitehead  
Special Assistant to the  
Governor

This report is approved:

  
Jay S. Hammond  
Governor

March 23 1981  
Date

## Attachment A

### Request for Proposals

#### Project Topic

To evaluate market conditions related to the production of red (sockeye) salmon in Bristol Bay during 1981.

#### Purpose

Information generated as a result of this project is expected to provide a comprehensive and objective view of current and projected market conditions for Bristol Bay red salmon. The intention of the State is to make impartial basic market data and observation available for reference by fishermen and processors engaged in annual preseason price negotiations. The value of the project depends on the contribution such information actually makes toward the settlement of timely and satisfactory agreements in Bristol Bay.

#### Selection of Contractor

The Office of the Governor will contract with an individual or firm having substantial experience in the marketing of seafood products or is closely familiar with the business and has an understanding of current conditions and events occurring within the industry.

About five prospective contractors will be asked to personally present their qualifications and work plan to a project management committee on or about March 27, 1981, in Juneau. The project management committee will be composed of at least three people and, at a minimum, will represent the Office of the Governor and the Department of Commerce and Economic Development. With the concurrence of the Governor's representative, the committee will select the best apparent contractor and proceed to negotiate major terms of agreement. It is the intent of the State to have the contract written and fully executed within about five days of the contractor's presentation.

The project management committee will ask people from four or five organizations representing fishermen and processors to participate in an advisory role with the project management committee during the presentation and selection process.

Members of the management committee will rate each prospective contractor on the following basis:

- 20% Compensation required (the total amount budgeted for this project is \$50,000. If the compensation required exceeds about \$40,000, the scope of work and project feasibility will have to be reevaluated.)
- 40% Demonstrated ability of the firm to acquire accurate basic data and information (previous related work, familiarity with available sources, recognized sub-contractors or associates and so on).
- 40% Demonstrated ability of the firm to organize and evaluate market information and data, present understandable written reports and meet the time deadlines imposed.

#### Scope of Work

The contractor will deliver to the Office of the Governor written reports which provide in careful detail the following information:

1. Describe the actual or relative magnitude of sales of Bristol Bay red salmon, by product form (canned, frozen, fresh and roe) in each country of final destination.
2. Describe the specific channels used to distribute red salmon products -- ending, if possible, at the point of actual consumption.
3. Identify, where possible, specific firms which handle or distribute major amounts of Bristol Bay red salmon. Concentrate on any important systems of vertical integration established by individual firms and points where actual ownership of products are transferred.
4. Explain how and when red salmon products are further processed, packaged and labeled after leaving Alaska. Describe the circumstances under which various red salmon products are purchased by the final consumer.
5. Describe as fully as possible the existing market demand for Bristol Bay red salmon products. Determine if any special efforts were or are being made to advertise or promote sales. Compare current prices and the movement of inventories with past years. Explain the attitude of major users of Bristol Bay red salmon toward these products. Evaluate the relative effect of alternative salmon supplies to demand.

6. Provide an explanation of how the prices of Bristol Bay red salmon products are established. Determine how prices might be influenced or dictated by seasonal financing conditions and mechanisms. Carefully document a significant number of actual prices paid at various stages in the distribution chain for various product forms and categories of quality produced during the 1979 and 1980 seasons. Relate prices to costs and margins at appropriate points (especially consider any major factors which are likely to influence production costs).
7. Present a well-reasoned analysis of expected market demand for Bristol Bay red salmon harvested in 1981 and, based on various possible magnitudes of supply, estimate an appropriate range of increases or decreases in current wholesale prices which might be expected.

#### Time Frame and Deliverables

- |              |  |
|--------------|--|
| May 1, 1981  | The contractor will deliver a readable draft report of progress and a press-type summary of important conclusions.   |
| May 15, 1981 | The contractor will deliver a final, complete report. The contractor will also provide a clear and objective summary of the final report. Depending on the information to be presented, the summary might be five or six pages. The summary will be widely distributed to people involved in the Bristol Bay salmon fishery. |
| June 1, 1981 | The contractor will monitor important market indicators and report any substantive changes in the form of a press-type summary.  |

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

## MEMORANDUM

State of Alaska

TO: Commissioner W. R. Nix  
Department of Public Safety

DATE: January 16, 1981

FILE NO:

TELEPHONE NO: 269-5642

FROM: <sup>TJZ</sup>  
Colonel T. R. Anderson  
Director  
Alaska State Troopers

SUBJECT: Bristol Bay  
Contingency Plan

Preface

During the past few years there has been a movement among fishermen to organize so as to be able to bargain collectively with the buyers.

Events Leading to 1980 Strike

During the 1979 season, the per pound price of red salmon was established at \$1.25. An excess of supply for that year resulted in diminished marketability of the large catch. Consequently, there were considerable quantities of unsold, frozen red salmon going into the 1980 season. This was a factor precipitating the drastic reduction in the per pound price offered in 1980 to 40%.

A large run projection (50 million) in 1980 provided the fishermen with the opportunity to organize and strike over the price being offered. There would be no fishing until the price was raised.

~~The strike resulted in numerous threats of violence, some alleged assaults and some instances of boat ramming, including one incident in which the Department of Public Safety vessel, Vigilant, was rammed by a fishing boat.~~

~~Several Troopers and Fish and Wildlife Officers were sent to Bristol Bay to quell any further acts of violence. The arrival of the Department of Public Safety personnel had the expected effect of reducing the potential for life and property threatening activities.~~

By the end of three weeks, the per pound price had been negotiated up to 60% and the fishermen returned to work.

The 1981 Contingency Plan

~~In an effort to minimize the possibility of a recurrence of unlawful activity on the fishing grounds, the Commissioner of Public Safety has directed that a 1981 Bristol Bay contingency plan be developed. At this time however, the preliminary indications are that the factors necessary for a strike this season will be absent, one of the more salient of these being the projection of a significantly reduced run of red salmon which means the fishermen will not have time to strike without significant and perhaps devastating financial losses.~~

DEPARTMENT OF PUBLIC SAFETY  
COMMISSIONER'S OFFICE  
Juneau, Alaska

FEB 03 1981

Preseason Intelligence

One of the more vital aspects of our preventative efforts will be the gathering and assessment of information from the field and from the participants of the Bristol Bay fisheries themselves prior to the season. To this end, a system has been established within the Department of Public Safety which links field activities with the Commissioner's office with a resultant two way flow of information.

Captain Harcourt Tew, Alaska State Troopers, has been assigned to coordinate the flow of information between the office of the Commissioner and the field under the following system:

All intelligence from the field will be directed to Lieutenant Jent, CIB, in Anchorage. He will be responsible for forwarding it to Captain Tew in Juneau with copies to Colonel Anderson, Colonel Stickles, and Captain Swackhammer, Detachment Commander of the affected area.

Tentative Schedule of Events

The foregoing dates are merely to establish a general time frame and are not intended to portray the actual days on which these events will occur.\* This will be progressively "fine tuned" as the fishing season approaches and more information is received.

- May 10        Local and some out of state fishermen prepare boats and equipment.
- May 15        The Public Safety Academy will have completed and distributed a 60 minute training tape on various safety aspects of water borne enforcement. This tape will be viewed by all personnel participating before departing for Bristol Bay. The tape will include such things as: vessel boarding procedures, use of survival gear, small boat handling in rough seas, and officer safety related to on board contact with fishermen.
- May 25        The Field Operations Commander arrives in Bristol Bay. Captain Swackhammer, Commander of the Detachment which includes the Bristol Bay fishing grounds, is assigned the responsibility of acting as the Field Operations Commander (FOC) and will coordinate activities in the field such as:
- intelligence
  - communications
  - logistics
  - equipment/supply needs
  - general supervision
  - other

\*Some activity dates are firmly established at this time. Those events will be noted with the word 'will' being underlined.

January 16, 1981

The Field Operations Commander will remain in the Bristol Bay area as long as needed.

May 29 All personnel will have viewed the training tape by this date.

June 1 Corporal Schadle and Trooper Whitaker, Alaska State Troopers, will arrive in Bristol Bay (Schadle to King Salmon, Whitaker to <sup>King Salmon</sup> Dillingham). They will each fly a Department of Public Safety Super Cub throughout their respective areas. It is expected that they will make considerable personal contact with the people in the area while in uniform. They will be gathering and giving information during their travels with the main objective being high visibility of uniformed Troopers.

June 1-7 Commercial king salmon fishing starts in the Dillingham area. The increased fishing for kings last year is believed to have been a result of the forecasted strike. No strike related problems developed during this period last year.

June 8-10 Alaska State Trooper personnel selected to participate in the effort will begin to arrive in Anchorage for staging and eventual en masse movement to Bristol Bay.

June 1-10 Fish and Wildlife Protection will be utilizing an Alaska Department of Fish and Game 32' vessel for enforcement in Bristol Bay. The vessel will be available only until June 10 as of now.

June 10 Red salmon fishery opens.

June 10 ~~Eight Troopers will be sent to Bristol Bay if needed.~~ Selected personnel will fly as a unit in a chartered twin.

June 10 Two chartered float equipped helicopters will be sent to Bristol Bay from Anchorage. On board will be three additional Alaska State Trooper personnel:

- Trooper G. Hooper; video
- Trooper G. Lewis, video
- Trooper J. McGhee, MEDIVAC

Department of Public Safety video equipment will be used continually in the area and the taping of fishing related activities will be made obvious in an effort to prevent potential violent conduct. Trooper McGhee will serve as the Department of Public Safety on site medical technician.

June 15-18 MV Vigilant will arrive in Bristol Bay.

January 16, 1981

June 22 Projected run will start to peak.

July 4-7 Actual run peaks (based on past years).

#### Aircraft Transportation to Bristol Bay

Of the fixed wing equipment available, Ray Tremblay has recommended utilizing the Volpar twin to transport the eight Alaska State Trooper personnel to Bristol Bay. This aircraft can be chartered from Troy Air in Anchorage. It will carry eight passengers plus gear to the area in approximately one hour at a cost of \$430.00 plus 5% tax.

One Department of Public Safety Grumman Goose will remain on standby in Kodiak for use in the area as needed.

#### On Site Aircraft Transportation

Two Department of Public Safety Super Cubs will be available for use by Alaska State Trooper pilots as needed. Fish and Wildlife Protection will make the necessary provisions to see that the 100 hour maintenance requirements, if needed, can be performed in the field with no more than approximately six hours "down time."

#### Helicopters

Bell Jet Rangers on floats can be obtained through Alaska Helicopter at a cost of \$375.00 per hour plus fuel (burn rate approximately 35 gallons per hour). A minimum of three hours per day must be guaranteed. Flight time to King Salmon is one and one half hours.

All aircraft used in the operation will be clearly marked as State Trooper aircraft.

#### Watercraft

There will be three Boston Whalers (17, 19, and 21 feet) available. The Vigilant will be carrying a shore boat also.

#### Liaison with U.S. Coast Guard

Commissioner Nix is presently working on identifying the role which the Coast Guard expects to play.

#### Communications

Presently there is a VHF transceiver at the Fish and Game facility in King Salmon. There is also a single side band unit. Captain Swackhammer is working with the Division of Communications in assessing the engineering/labor needs in order to make existing Department of Public Safety equipment (i.e., MX 360 portables) compatible with the King Salmon repeater.

Ground Transportation

Captain Swackhammer will arrange for needed vehicles.

Meals/Lodging

Existing costs and insufficient dining facilities in the area may necessitate providing one meal charge per day in addition to allowing a \$21.00 per day meal allowance.

An Alaska Department of Fish and Game bunkhouse in King Salmon will adequately house all participating Alaska State Trooper personnel. Department of Public Safety has been authorized priority use.

The availability of facilities at Clark's Point and Egegik will be assessed by Department of Public Safety personnel.

Dillingham Fish and Wildlife has a three bunk facility which may have one bunk available to Alaska State Troopers during the period in question.

While it appears now that the likelihood of another stike by fishermen in Bristol Bay is minimal, the preparations and planning now underway by the Department of Public Safety should have a substantial impact on minimizing the ability or desire of participants in the fishery to generate violent or other unlawful conduct should a strike occur.

WHY HERE?

Prisoner Handling

I. Felony Arrests

?eq.?

Individual(s) arrested for a strike related felony will be flown to Anchorage as soon as possible to minimize the risk of such a person being able to incite others to violence. Corporal Schadle is the designated pilot should this be necessary.

II. Misdemeanor Arrests

Misdemeanor arrests will be handled by either the King Salmon or the Dillingham magistrate.

III. Mass Arrests

Captain Swackhammer will have a twin aircraft on standby to be utilized for mass prisoner movements. This aircraft may be as large as a ten place Navajo but no smaller than a Beech Baron. In the event of mass arrests, the prisoners will be flown directly to Anchorage.

January 16, 1981

IV. Existing Prisoner Holding Facilities

Presently there is a four prisoner facility at the Dillingham Jail and a two prisoner facility in Naknek.

V. District Attorney's Office

District Attorney Larry Weeks will assign one member of his staff to Bristol Bay if needed.

Attachment

ATTACHMENT

Additional Equipment:

Based on the projected use of fourteen Alaska State Trooper personnel, the following additional equipment will be needed:

03 Float coats	@ \$46.45 each	\$139.35
06 Pair hip boots	@ \$30.45 each	\$182.70
*14 Heavy duty rain trousers	@ \$44.95 each	\$629.30
*14 Heavy duty rain jackets	@ \$48.95 each	\$685.30

The Imperial survival suit is available through Alaska Marine at \$299.00 each. They normally carry 12 suits in stock during the spring. Allow one week for delivery from Seattle.

\*Helly-Hanson (Norwegian Made)

Alternative Fixed Wing Twins:

Troy Air:

Navajo six plus gear, \$975.00 plus 5% tax.

Anchorage Airways:

Cessna Titan, up to eight passengers but limited gear, \$325.00 per hour dry. Burns 30 gallons per hour, two hour trip.

Evergreen:

Twin Otter, 15 passengers, \$2,400.00, one and one half hour flight time.

Jet Alaska:

Lear, six passengers, \$1,800.00, 45 minutes.



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AS A UNIT IN THE ORIGINAL DOCUMENT.**

P6 #

MEMORANDUM

TO: Senator Jalmar Kerttula  
President of the Senate *ki*

FROM: Senator Arliss Sturgulewski *AS*  
Chairman, Hearing Committee

Senator Pat Rodey, Chairman *Pat*  
Senate Judiciary Committee

DATE: March 27, 1981

SUBJECT: Bristol Bay Fishery Hearing Report

The Special Judiciary Hearing Committee was charged with conducting a series of fact-find hearings on the Bristol Bay fishery. The results of these hearings and recommendations for action were to be reported to the Senate.

The attached report summarizes the findings of the Hearing Committee and presents a series of recommendations for further action.

The report of the Governor's Bristol Bay Task Force is also attached. *Av Gross, Chairman*

The Special Judiciary Hearing Committee report makes the following recommendations:

Recommendation No. 1

Legislative support for the Department of Commerce and Economic Development's market study needs to be shown. Although the time frame for the current study is extremely short, the approach taken by DCED should provide a comprehensive picture of the existing Bristol Bay marketing structure and alternative types of price settlement.

Recommendation No. 2

Direct the Governor to prepare a plan for developing line agency capability to develop a similar understanding of the market system and market potential for all Alaskan fisheries. The plan for achieving this ongoing market analysis should be presented to the Legislature in January of 1982.

Recommendation No. 3

An analysis is needed of how other U.S. and foreign fisheries are organized, from the fishermen, processors, brokers through to the final markets. The purpose of this analysis is to develop an understanding of the various types of existing industry organization and what particular structures could be possible in Bristol Bay. Information developed through this study would be made available to fishermen, marketing associations, cooperatives and processors as well as the general public.

Recommendation No. 4

While efforts of the Alaska Seafood Marketing Institute are directed primarily at increasing the consumer's demand for salmon products, broader research on potential markets for Alaskan salmon and other seafood products needs to be done. Because of the industry's present focus on the Japanese market, there is little knowledge of alternative markets, locations and possible level of demand, both in the U.S. and abroad.

Recommendation No. 5

A program is required that provides assistance to local fishermen and fishermen's groups in actually contacting potential markets. The purpose of this program, whether done through an agency, through contract or through direct financial assistance to fishermen's groups, would be to facilitate contact between fishermen and potential buyers without regard to the type of marketing structure used. While initially focusing on Bristol Bay, the marketing assistance should be available for all Alaskan fisheries.

Recommendation No. 6

A review of the policy guidelines and performance of ARRC, CFAB, AIDA and the pack financing program should be undertaken to identify changes in their statutory direction that would make new domestic processing and marketing operations clearly eligible for these programs. This task might be best carried out by one or a combination of legislative committees.

Recommendation No. 7

The Legislature should direct the Governor to develop a list of public capital facilities required to support the expansion of the fishing industry and community needs in the Bristol Bay region. This list should be based on analysis of infrastructure needs in the region and should present a plan and coordinated approach among executive agencies to provide those facilities. The Governor's recommendations should be presented to the Legislature in January of 1982.

Recommendation No. 8

The Governor's supplemental appropriation request for the Department of Public Safety should be reviewed to determine if that request will provide support capabilities that will allow independence from private facilities and vessels. A supplemental appropriation to fund support services for the State Troopers should be considered on a priority basis for this fiscal year.

Recommendation No. 9 - Follow Up

As a final recommendation on legislative oversight, the Governor should provide the 1982 Legislature with a report on the use of the marketing study (Recommendation No. 1) during the 1981 fishing season and the activities of the Department of Public Safety in Bristol Bay this summer.

Attachments

BASIC PROBLEMS -  
- FISH MARKETING - MOST RECS  
- NEGOTIATIONS PROCESS

SENATE JUDICIARY HEARING COMMITTEE  
Report and Recommendations  
March, 1981

A special Senate Judiciary Hearing Committee was formed in late February to conduct a series of hearings on the Bristol Bay salmon fisheries and to report to the Senate its recommendations for both legislative and executive action.

Initially these hearings were to focus on two aspects of the Bristol Bay fishery: the State's role in the negotiating process and the public safety concerns related to the settlement of fish price negotiations. Hearings were conducted in Dillingham, and Naknek, with additional hearings in Juneau. The Governor's Bristol Bay Task Force was present at the Dillingham and Naknek hearings. Task Force Chairman Av Gross and Department of Public Safety Commissioner William Nix attended one of the Juneau hearings. (A copy of the Task Force Report is attached to this report.)

The following recommendations are drawn from the testimony of nearly 50 individuals at the three hearings. While the original concerns of the Hearing Committee were the State's role in the negotiating process and in maintaining public safety, it quickly became apparent that a broader approach to meeting Bristol Bay's needs was required to be effective. As the Governor's Task Force report states, much of the stress occurring in Bristol Bay is due to the changing nature of the fishery and the marketing structure. Because the end result of this evolution in the fishing industry is not known, State policies toward the Bristol Bay fishery should neither artificially restrict that change, nor force the adoption of any "new" system.

The recommendations of this report are organized under four topics: Market Study, the Changing Nature of the Bristol Bay Fishery, Capital Improvements and Public Safety. These recommendations provide a coordinated policy approach to Bristol Bay and, ultimately, to the changing nature of the domestic fishing industry Statewide, while maintaining a general concern for public safety and individual rights.

#### Market Study

Most of those testifying before the Committee recommended that the State fund an objective marketing study. People thought that such a study would allow fishermen to negotiate on a more equal footing with the processors, and would be of most benefit to the majority of Bristol Bay fishermen who regularly fish for the large, established processors. This market study would at a minimum analyze the market for salmon, wholesale prices and trends, effect of pack sizes on prices, and changes in the costs to fishermen and processors

in producing their products. The result would be a recommended range of ex-vessel prices that could be paid for salmon, by type of product (fresh, frozen, canned). Alternative types of price settlements mentioned during the hearings, such as price indexing, percentage of wholesale price and sliding scale agreements should also be considered.

This market price study, as brought out in public testimony, is actually needed in all Alaskan fisheries. The Bristol Bay study could be the first step in the development of an understanding of market conditions related to each of the fisheries in Alaska. In the long run, it is necessary for both the State and the domestic industry to understand the nature of markets for bottomfish, general fish products (fish meal, fish sticks, etc.), crab and herring as well as salmon. With this knowledge, the State is in a better position to create programs to effectively involve Alaska, and Alaskans, in the utilization of the State's fishery resources.

The Governor's Bristol Bay Task Force has announced that the Department of Commerce and Economic Development will have a Bristol Bay market study done by May 15, 1981. The study is to describe the actual inventories, sales, processes and final destination of Bristol Bay red salmon; identify firms and describe the structure used in marketing and distributing these products; describe processing done after the salmon leave Alaska; describe existing demand for Bristol Bay salmon, including sales promotion efforts; relate demand to alternate sources of salmon; explain how prices are set for Bristol Bay salmon, including the effect of financing mechanisms and production costs; and present an analysis of market demand, identifying a range of wholesale prices related to different levels of salmon catch.

#### Recommendation No. 1

Legislative support for the Department of Commerce and Economic Development's market study needs to be shown. Although the time frame for the current study is extremely short, the approach taken by DCED should provide a comprehensive picture of the existing Bristol Bay marketing structure and alternative types of price settlement.

#### Recommendation No. 2

Direct the Governor to prepare a plan for developing line agency capability to develop a similar understanding of the market system and market potential for all Alaskan fisheries. The plan for achieving this ongoing market analysis should be presented to the Legislature in January of 1982.

Changing Structure of the Bristol Bay Fishery

Several individuals testified as to the changing nature of the fishing industry in Bristol Bay. There appears to be a general feeling that much of the tension in the Bristol Bay fishery is actually due to this change in the structure of the industry. One component of this change is the desire by many local fishermen to develop a new locally controlled means of marketing their fish as an alternative to the established processing plants. At the same time, most fishermen in Bristol Bay are linked closely to those large processors; cannery fishermen enjoy the benefits of credit, boat storage, ready access to supplies and other benefits in exchange for fishing only for a single processor. Fishermen who violate this unwritten agreement by selling their fish for a higher price to a different processor often find themselves both without a regular buyer and without the benefits of a cannery fisherman.

Fishermen may be unable to actually find markets or make connections with representatives of markets that might otherwise purchase their fish. It was reported to the Committee that there are currently an estimated 125 fishermen who have no markets for their fish. Other fishermen who do manage to organize and find potential markets for their fish outside of the established system report an inability to get their operations "off the ground," due to a lack of front end financing.

In addition, a number of those that testified thought that present State programs involved in fisheries, such as the Alaska Renewable Resources Corporation (ARRC), the Commercial Fishing and Agriculture Bank (CFAB) and the pack loan program, did not provide support for new marketing/processing operations. While some people thought that these State programs were purposefully oriented toward the existing processors, others felt that the inability to use State programs to develop new or expanded processing activities by domestic organizations was a result of unclear policy directions to those programs.

A number of very specific changes in existing State programs were suggested during the hearings. These suggestions ranged from requiring ARRC loans to be made only to wholly-owned Alaskan firms on one hand, to requiring processors to sign a price settlement with fishermen in order to be eligible for ARRC; CFAB or pack loans.

On the whole, people identified the State's role in this changing industrial setting as providing the catalyst for new developments in the industry. This would be accomplished through ensuring easier access to ARRC, CFAB, pack loans and

other funds to be used by new processing operations for organizational, front-end or operating costs prior to the sale of their products.

Recommendation No. 3

An analysis is needed of how other U.S. and foreign fisheries are organized, from the fishermen, processors, brokers through to the final markets. The purpose of this analysis is to develop an understanding of the various types of existing industry organization and what particular structures could be possible in Bristol Bay. Information developed through this study would be made available to fishermen, marketing associations, cooperatives and processors as well as the general public.

Recommendation No. 4

While efforts of the Alaska Seafood Marketing Institute are directed primarily at increasing the consumer's demand for salmon products, broader research on potential markets for Alaskan salmon and other seafood product needs to be done. Because of the industry's present focus on the Japanese market, there is little knowledge of alternative markets, locations and possible level of demand, both in the U.S. and abroad.

Recommendation No. 5

A program is required that provides assistance to local fishermen and fishermen's groups in actually contacting potential markets. The purpose of this program, whether done through an agency, through contract or through direct financial assistance to fishermen's groups, would be to facilitate contact between fishermen and potential buyers without regard to the type of marketing structure used. While initially focusing on Bristol Bay, the marketing assistance should be available for all Alaskan fisheries.

Recommendation No. 6

A review of the policy guidelines and performance of ARRC, CFAB, AIDA and the pack financing program should be undertaken to identify changes in their statutory direction that would make new domestic processing and marketing operations clearly eligible for these programs. This task might be best carried out by one or a combination of legislative committees.

### Capital Improvements

As stated by the Governor's Task Force, the full utilization of the Bristol Bay Fisheries resource is a major State concern. The development of new and expanded markets and marketing structures is one aspect of increasing the utilization of Bristol Bay salmon.

However, access by fishermen and new industry operations to this resource requires a range of facilities to support their activities. These facilities include coast harbors, ocean and industrial docks, water supplies, airports, airport industrial areas and roads.

At present, public and private facilities in the Bristol Bay region lack the capacity to handle new developments in the local fishing industry. This, in effect, creates a barrier to the establishment of new marketing operations, new processors, and to the ability of local fishermen to find alternatives to the storage, repair and support services offered by the existing processors. Simply locating land upon which to build private industrial facilities is difficult, although this situation may change with the shift in ownership of large tracts of land to the local Native corporations.

In short, the natural evolution of the fishing industry in Bristol Bay will require basic investment in public infrastructure. A number of individuals testified that fishermen had no place to keep their boats during the summer and no place to unload fish or store equipment. New processors also have no dock space for their operations, are faced with community water systems unable to supply their needs, and under-developed airport facilities that create delays in the transport of fish to markets. The physical difficulty local fishermen and organizations have in getting their products to market undoubtedly affects the ability of those interests to make commitments to potential markets.

Because of the level of industry activity in Bristol Bay, local residents cannot understand the State's apparent disinterest in developing basic facilities in their region. As one individual stated before the Committee, it seems common sense to provide for the infrastructure needs of Bristol Bay's proven natural resource industry on at least an equal basis to the State's assistance in providing infrastructure for unproven renewable and nonrenewable resource developments.

The Department of Transportation and Public Facilities is currently funding a study of the transportation facility needs of Southwest Alaska, including the Bristol Bay region. Transportation facility needs related to both industry activities and community growth will be identified in this study. The estimated completion date for this regional transportation study is June, 1981.

Recommendation No. 7

The Legislature should direct the Governor to develop a list of public capital facilities required to support the expansion of the fishing industry and community needs in the Bristol Bay region. This list should be based on analysis of infrastructure needs in the region and should present a plan and coordinated approach among executive agencies to provide those facilities. The Governor's recommendations should be presented to the Legislature in January of 1982.

Public Safety

One of the Committee's initial charges was to listen to the Bristol Bay residents on the relationship of public safety to the settlement of price disputes. A significant volume of testimony was received on the use of threats and "scare tactics" in the negotiating process. In addition, a number of people testified that the fishermen feel under extreme pressure to ensure a unified approach to price settlement, because the majority of fishermen have no alternative market to the existing processing operations. Fishermen feel that they have to speak with a single unified voice to be effective within the present system.

As market alternatives develop, the emphasis on maintaining the appearance that fishermen are of a single, unified mind will decrease. Different groups of fishermen will be able to develop their own markets and marketing systems. Witnesses testified that changes in the nature of the Bristol Bay fishery will result in more ex-vessel price competition by processors and in a reduction in the use of threats and intimidation in the settlement of price disputes. Individuals or small groups of fishermen will be able to settle for a price they feel acceptable, without appearing to undercut other fishermen's organizations or markets.

However, until the majority of fishermen feel that they have some market flexibility and have the opportunity to control their own position in a more differentiated marketing system, the use of pressure tactics to encourage conformance to marketing association negotiations is likely to continue.

There will be a continuing need for public safety presence in Bristol Bay. The State's public safety effort must be related to the enforcement of existing laws, without purposefully intervening in the negotiating process itself. In general, a low profile coupled with a workable contingency plan will meet public safety needs while minimizing public reaction simply to the visible presence of public safety personnel.

In order to remain as objective as possible in appearance in its public safety mission, the Department of Public Safety should provide its own support services and remain independent of all parties in the negotiating process. The lack of departmental boats and equipment during the 1980 season resulted in State Troopers being placed on barges and facilities operated by the processors. This lack of support capability decreased the ability of the Troopers to carry out their duties, in that they lacked the mobility to respond. In addition, placing individual Troopers on private property was interpreted by some fishermen as a demonstration that the State was more interested in protecting the processors than in protecting the general public safety. This situation should be avoided in the future, if at all possible.

The Governor's Bristol Bay Task Force has recommended that the Department of Public Safety develop a contingency plan for the 1981 Bristol Bay fishing season. The Governor will submit a special appropriation request to the Legislature to fund additional manpower and support services for this coming season. Both Public Safety's contingency plan and the supplemental appropriation request are included in the Task Force Report.

Above all, the State should emphasize that public safety must be maintained in Bristol Bay, as in other parts of the State. The present legal system defines the "unacceptable use of force and pressure tactics." It is important that these laws be enforced equally in all parts of the State and on behalf of all the citizens of the State.

#### Recommendation No. 8

The Governor's supplemental appropriation request for the Department of Public Safety should be reviewed to determine if that request will provide support capabilities that will allow independence from private facilities and vessels. A supplemental appropriation to fund support services for the State Troopers should be considered on a priority basis for this fiscal year.

Recommendation No. 9 - Follow Up

As a final recommendation on legislative oversight, the Governor should provide the 1982 Legislature with a report on the use of the marketing study (Recommendation No. 1) during the 1981 fishing season and the activities of the Department of Public Safety in Bristol Bay this summer.

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF PUBLIC SAFETY OFFICE OF THE COMMISSIONER

POUCH N - JUNEAU 99811

February 25, 1981

465-4322

The Honorable Joseph Chuckwuk  
House of Representatives  
Pouch V  
Juneau, AK 99811

Dear Representative Chuckwuk:

In response to your letter of concern on the past and future of this Department's position related to the Bristol Bay salmon season, at the outset, the Department will continue to follow its mandate, as it has in the past, of taking such action as necessary to preserve law and order and to protect the lives and property of all Alaskans.

As I am sure you are aware, confrontation begets violence. If confrontation does exist and a deterrent to violence is present during that time to prevent or reduce its capability of occurring, the results are less severe than stopping the violence once it occurs.

The Department's action as related to Bristol Bay was primarily that of detering the violence that was ever present during the confrontation that existed between fishermen and processors as well as fishermen and fishermen at the time of salmon price negotiations in that area.

The information you requested as related to actual cases in the Bristol Bay area is as follows:

### Criminal

Data covers Bristol Bay area for April through July of each year.

	1978		1979		1980	
	Off./Arrest	Off./Arrest	Off./Arrest	Off./Arrest	Off./Arrest	Off./Arrest
Homicide/Manslaughter	1	1	1	1	Ø	Ø
Rape	1	1	Ø	Ø	Ø	Ø
Aggravated Assault	Ø	Ø	5	3	8	5
Burglary	5	1	6	1	12	1

Larceny	27	2	5	2	17	1
Other Assaults	9	5	5	2	4	1
Vandalism	9	1	6	4	12	2
Weapons	1	1	2	2	1	0
Disorderly Conduct	3	2	2	2	17	6
Arson	Ø	Ø	1	1	Ø	Ø
All Other Offenses	35	8	20	6	39	7
<b>Total</b>	<b>91</b>	<b>22</b>	<b>53</b>	<b>24</b>	<b>110</b>	<b>23</b>

Fishing Citations Issued

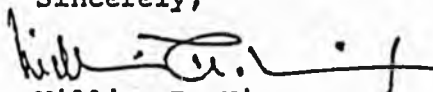
Commercial	60	91	26
Sport Fishing	3	9	2
<b>Total</b>	<b>63</b>	<b>100</b>	<b>28*</b>

- \*Note: 1. In 1980 there were no closed water restrictions.
2. In 1980 Fish & Wildlife Officers assigned to land, boat, and aircraft in the Bristol Bay area concentrated on necessary peace keeping activities.

The Department's enforcement intelligence indicated that the prospect of violence in the Bristol Bay area during the 1980 salmon price negotiations was real, and covert and overt acts were committed to substantiate that information. As a result, the Department in its role of crime prevention elected proaction rather than reaction. The outcome related to our presence to reduce the possibility of violence in Bristol Bay was obviously effective.

The position this Department will take in the upcoming 1981 Bristol Bay salmon price negotiation will be a reflection of conditions that prevail during that time and will be solely based on a level necessary for peace keeping and the protection of life and property.

Sincerely,



William R. Nix  
Commissioner

cc: Governor Hammond  
Senator Pat Rodey  
Senator George Hohman  
Mr. Avrum Gross

25 Feb 81  
5:25 PM

Phone conversation w/ Commissioner Nix / says he will not provide information! Jac



# Alaska State Legislature

## House of Representatives

Pouch V  
State Capitol  
Juneau, Alaska 99811

Official Business

February 13, 1981

Commissioner William R. Nix  
Alaska Department of  
Public Safety  
Pouch N  
Juneau, Alaska

Dear Commissioner Nix:

I am extremely concerned about the upcoming Bristol Bay salmon season and the role that the Department of Public Safety may pursue during the negotiations over salmon prices between the fishermen and the processors.

Governor Hammond is quite concerned himself; in fact, as you know, he appointed Avrum Gross, one of his close political advisors, to head a special task force of which you are a member. The Task Force is to analyze the problems, as perceived by the Governor, that arose last summer and to make certain recommendations to ensure that those problems do not reoccur.

Since your department maintained a high profile during the fishing strike in the Bay area, I would like to know what you, as Commissioner, think happened in Bristol Bay last summer regarding violence, and, certainly, I would like to hear of your concerns regarding this summer's season.

Your department must be aware of specific acts of violence, since the Governor has become so concerned that he has entertained the idea of amending the commercial fisheries limited entry law to provide for the revocation or suspension of permits for those convicted of committing certain crimes during strikes. I would like you to enumerate the specific acts of violence you are aware of that occurred in the Bay. How many arrests were made by your department during the strike? How many persons were prosecuted? How many persons were convicted of committing acts of violence during the last season? (I am looking for solid facts.)

To entertain an extreme idea such as the revocation or suspension of permits, the Governor, in his concern over violence, must be relying on data compiled by your department, or at the very least, he must have been given reports of violence that have been substantiated by your department.

I certainly don't condone violence, but the prospect of revoking or suspending fishing permits is questionable. You can recite the numerous laws designed for public protection. There is no shortage of criminal laws; the issue is simply one of enforcing those laws already on the books.

I would appreciate a quick reponse to the questions that I have posed to you. As I have already said, I am extremely concerned about how the administration perceives the potential problems that may arise in Bristol Bay this summer.

Sincerely,



Representative Joseph Chuckwuk

cc: Governor Jay Hammond  
Senator Pat Rodey  
Senator George Holman  
Mr. Avrum Gross

JC/ah

p. 7-9  
2-7-3  
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BRISTOL BAY HEARINGS  
REPORT

The following document was prepared and released in two stages. It is intended to provide background for the recommendations made to Senate President Kerttula on the Bristol Bay Fisheries.

CONTENTS

- 1.) Hearing report from Dillingham and Naknek
- 2.) Hearing report from Juneau
- 3.) Written testimony and documents presented to the committee
- 4.) The Governor's Bristol Bay Task Force report

## 1. BRISTOL BAY HEARING REPORT

DILLINGHAM/NAKNEK

### PURPOSE

For the purposes of this report, subjects have been consolidated and selected quotations used to illustrate the concerns and perceptions of individuals appearing before the committee. The report does not attempt to present the Task Force's views or comments during the hearing, but rather to let the individuals in Bristol Bay express their concerns in their own words.

This is not a final report. Additional hearings will be held in Juneau on March 16 on the same subject.

### INTRODUCTION

On January 28, 1981, Senate President Jay Kerttula requested Senator Pat Rodey, the Judiciary Committee Chairman, to examine the public safety problems which occurred in Bristol Bay during the 1980 salmon season price dispute.

After a preliminary examination, it became clear that the public safety problems could not be divorced from the greater issues of price negotiation and resource utilization, and so the scope of inquiry was enlarged to adequately address the problem.

Senator Rodey was contacted by Avrum Gross, the Governor's appointed director of the Bristol Bay Task Force, about working together on the matter. Senator Rodey agreed to do so in order to speed the hearing process and to avoid unnecessary duplication of effort.

Senator Sturgulewski, Chair of Legislative Budget and Audit, was appointed chair of the Bristol Bay hearings, with Senator Hohman invited as the representative of the District.

Several members of the House representing fishing constituencies also expressed an interest in participating in the hearings, with the House delegation composed of Representatives Chuckwuk and Hurlbert.

The hearing board attending consisted of:

Senator Sturgulewski, Chair  
Representative Hurlbert  
Representative Chuckwuk

Representing the Governor's Task Force were:

Avrum Gross, Director  
Commissioner Nix, Public Safety  
Commissioner Skoog, Fish and Game  
Commissioner Webber, Commerce & Economic Development  
Commissioner Williams, Commercial Fisheries  
Entry Commission  
Mike Whitehead, Governor's Office

#### HEARINGS

The initial hearing was held in Dillingham on February 28, from 6:30 p.m. to 10:30 p.m. The hearing was attended by approximately seventy individuals and reached a larger Bay audience by being broadcast over KDLG of Dillingham.

The committee heard testimony or questions from:

Joe McGill	Val Nick Angasan
Andy Golia	Lyman Smith
Joe Clark	Jim Bingman
Jerry Libof	Dave McClure
Fred T. Angasan	Mark Seger
Mitch Kink	Thomas Crandell
Kay E. Larson	Dorothy Hummer
Robin Samuelson	Leon Branswell
Jack McBride	Carl Larson
Laura Schroeder	Stan Small

The second hearing took place in Naknek on March 1, from 12:15 p.m. to 3:30 p.m., and was attended by approximately thirty individuals.

The committee heard testimony or questions from:

John Eckert	Mike Hakala
Mitch Kink	Anthony Balachi
George Gottschalk, Sr.	George Gottschalk, Jr.
Harvey Samuelson	Monty Handy
John Lundgren, Sr.	Allen Aspelund
Richard Johnson	Ralph Angasan

The following topic areas were repeatedly mentioned during the hearings in Bristol Bay as major concerns of local individuals:

- Market Study
- Processing Shortfalls
- Infrastructure Needs
- Pricing Concepts
- Foreign Control
- Public Safety Concerns
- Seafood Marketing
- Pack Lons, AARC, and CFAB

#### MARKETING STUDY

The single largest topic of discussion was the State's involvement in financing a comprehensive marketing study to provide information to fishermen and processors prior to price negotiation. Each individual who addressed this point cited the lack of data available to fishermen on world market conditions, although it was generally conceded that processors already had the information at their disposal. Typical comments on this subject included:

Andrew Golia (Dillingham): "I feel this study is highly important and could lead to an early price settlement in Bristol Bay. . . I think the importance of this study is that it will give processors and fishermen a starting point in price negotiations this upcoming season."

Jack McBride (Dillingham): "A state-funded study by a firm that could supply credible information to both the fishermen and processors would go a long way to establish a price range within which both the fisherman and processor could feel comfortable to negotiate."

Allen Aspelund (Naknek): "I think if the state would have a similar method (State of Washington market survey) . . . I believe you will create for us fishermen a little trust. . . We don't know what's fair."

Val Angasen (Dillingham): "A study could be conducive for an early settlement, in that the state legislature, the people of Alaska, who the resource belongs to, might have an inkling of an idea whether or not price offers are fair or not fair."

#### PROCESSING SHORTFALL

Another major point of contention among fishermen is that processors purposefully hold down the number of fish processed, and therefore limit a fisherman's possible income. Bay fishermen firmly believe the state was misinformed on the total capability of processors for the 1980 run.

Mike Hakala (Naknek): "You will also hear the argument that you can get a low price and a lot of volume here in Bristol Bay but. . .they (processors) can't handle the fish. The day it opened they put us on a 6000 lb. limit . . .if that's handling fish, I sure in hell don't know what to say about that."

Kay Larson (Dillingham): "Last year there was also a lot of talk that fishermen should have been willing to take a low price for their fish and make the difference up in quantity. As fishermen who have worked with the canneries for many years, we knew this possibility would not be open to us. We knew that canneries would not increase their production and this proved to be true."

John Eckert (Naknek): "The processors in the Bay here can only process approximately 25 million fish. And on

large run years, they are not going to open up those canneries for any more fish than they can handle.

Mitch Kink (Dillingham): "They (processors) don't want all the fish. I think they said they could handle all the fish. . .if anybody here believes that if we would have went out on the first day of fishing that we would have caught 21 million fish, I think is a little wrong."

#### INFRASTRUCTURE NEEDS

An expressed concern of residents in the Dillingham area was the infrastructure needs of the community. Most individuals testifying on this topic believed that increased availability of transportation facilities would increase the likelihood of new processors coming into the Bay.

Lyman Smith (Dillingham): "The key thing here that keeps fresh market fisheries from really going is the lack of airport facilities. . .In addition to runways, we also need a parallel taxiway so there can be more than one aircraft operating on that airport at one time.

Laurie Schroeder (Dillingham): "It isn't easy for a new processor to come into Dillingham. . .We don't have lots of docks, we have one public dock that goes dry at low tide. . .We have a 100-boat boat harbor and we have 539 users. . .There are all kinds of things that hamper local fishermen."

Jack McBride (Dillingham): "Finding ways of lowering costs, such as transportation, is certainly another positive

action. Providing easily-accessible docks, improved runways and reasonable road systems would lower the cost of production."

Kay Larson (Dillingham): "Perhaps more competition on the processing side would make for a healthier industry. Competition in any industry is always healthy. State funding which would encourage the development of this competition could be a possible solution. Such funding should include new docks and airport improvements which would make it easier for new processors to come into the Bay."

#### PRICING CONCEPTS

A considerable amount of time was spent discussing the pricing structure of salmon, the method by which processors paid fishermen for their catches. Many fishermen were interested in establishing a base price for unprocessed fish, with a percentage of the final wholesale price being returned to fishermen.

Mitch Kink (Dillingham): "I think that a fisherman is worth 40% of what he gets as a final price from the wholesalers. . . I think we are worth that much in this industry."

Mike Hakala (Naknek): "I believe there should be a base price for salmon and I believe in a sliding scale."

Jim Bingman (Dillingham): "I think that this would be a good way for the state to help us if we had a base price and the canneries, the processors, could depend on this money (pack loans)."

Individuals testifying were about evenly divided on the question of the state's responsibility in setting a base price for unprocessed fish. Everyone concluded, however, that a comprehensive marketing study could provide the data needed to set a base price.

#### FOREIGN CONTROL

Considerable resentment towards foreign-owned processors was expressed by local residents, not only in the actual processing business but in marketing as well. Some individuals put it this way:

George Gottschalk, Jr. (Naknek): "At present there is no control over foreign ownership in the fisheries. For all practical purposes, the Japanese have a virtual stranglehold on Alaskan fishermen through market manipulation of all our fisheries products."

Jim Bingman (Dillingham): "I know the Japanese have taken over most of the canneries. . . I've watched them take over Togiak. They financed and got the processor. They got the processor to swallow the hook, then they jerked hard to set it. There's nothing the processor can do but step out and let the Japanese have it."

Thomas Crandell (Dillingham): "The marketing facilities are essentially controlled by the Japanese; there isn't an extensive marketing path for very much salmon into the domestic market."

#### PUBLIC SAFETY CONCERNS

Overall, the public safety problems encountered in the Bay during the 1980 season were downplayed by residents.

Most felt that the few violent acts that took place were distorted by the media. Some fishermen, however, did express concern that the Department of Public Safety overreacted to the potential for violence.

Fred T. Angasan (Dillingham): "Scare tactics by striking fishermen are mistaken by outside law enforcement officers and the press as acts of violence. For example, striking fishermen talking on their radio transmitters, saying things like telling how they would use guns if they had to, or possibly damaging a non-striking fisherman's net. These are not physical acts of violence, but simple scare tactics which is part of a process of expression in the development of an agreement leading up to a price settlement."

Joe McGill (Dillingham): "It's a sore point with a lot of people here that the Department of Public Safety to act as, I don't know if to call it goon gang for a lot of scab fishermen, that's the word everyone else uses, that did create a lot of hard feelings."

Joe Clark (Dillingham): "I felt threatened; this happened during the 1980 price dispute. Commissioner of Public Safety William Nix sent Trooper Carl Fraser to Clark's Point to inform my son, Kay Clark, and myself that if we harrassed the processors we could be arrested, confiscate our boats, and might even be made to lose our limited entry permits."

Several individuals asked whether the administration planned to introduce legislation that would enable limited

How TRUE



unconstitutional to take property w/out due process of law

entry permits to be revoked for acts of violence committed on the fishing grounds. Without exception, fishermen believed this to be an unfair and unjustifiable additional penalty.

?

SEAFOOD MARKETING

The concept of promoting Alaskan seafood in domestic markets was widely endorsed during the hearings, as one positive step the state is taking for the fishing industry. Typical remarks included:

Lyman Smith (Dillingham): "I see this segment (fresh fish) as the weakest segment in the market. Where else in the world can you address the numbers of people that you can in the United States that have average incomes to afford this product in such numbers as you can in the United States; and I think that this deal (Alaska Seafood Marketing Institute) that the state has going on to get involved in promotion, the market is going to go a long way toward alleviating these problems."

Jack McBride (Dillingham): "Funding of programs such as the Alaska Seafood Marketing Institute is another positive way the State can involve itself. Obviously if the demand for salmon is high, the price will also be good."

PACK LOANS, AARC, CFAB

Many fishermen resented the State's financial involvement in the processing industry, not only with direct pack loans to companies involved in price disputes, but also through the Alaska Renewable Resource Corporation and the Commercial Fishing and Agricultural Bank loans.

Robin Samuelson (Dillingham): "Ball Brothers borrowed 4 or 3 million dollars from AARC, from the state, my money . . . and paid 40 cents to 35 cents and still haven't paid off their fishermen. . . I think that's criminal."

Joe McGill (Dillingham): "Last year, in my opinion, and I think the whole audience thinks the same way, our worst enemy was the state. In the first place, they financed a bunch of packers that won't pay the price and we couldn't even get them to the negotiating table to talk to them and discuss prices."

George Gottschalk, Sr. (Naknek): "I think the state should quit backing the processors. . . backing the processors up here buying 30-cent scab fish before the price is settled . . . The state backed Icicle Seafoods, and I don't know how many other foreign processors they backed."

Harvey Samuelson (Dillingham): "It (pack loans) should go to real American processors, not their buddies from across the sea. . . After they caught 700,000 fish (reference to 1981 High Seas catch), Jay Hammond shouldn't give them one penny."

Prepared by:

Kevin K. Bruce  
Committee Aide  
Senate Judiciary Committee  
March 9, 1981

Written testimony presented to the Bristol Bay Committee is attached.

2. BRISTOL BAY HEARING REPORT  
JUNEAU

INTRODUCTION

To conform with the initial Bristol Bay Hearing Report, the supplement report is organized in the same fashion. Subjects examined have been consolidated and selected quotations used to illustrate the concerns of persons testifying before the committee.

Recommendations from the committee are not contained within this document, but will be made in the transmittal letter of both reports to Senate President Jalmar Kerttula.

HEARINGS

The hearing board in Juneau consisted of:

Senator Sturgulewski  
Senator Rodey  
Representative Chuckwuk  
Representative Hurlbert

The Governor's Task Force was represented at the March 16th hearing by Avrum Gross and Commissioner Nix.

Two hearings were held in Juneau to conclude the committee's inquiry. The first was conducted on March 16th from 1:30 P.M. to 4:35 P.M. The hearing was attended by approximately forty individuals. The committee heard testimony from:

Rodger Painter	Eric Eckholm
Sidney Smith	Jim Beaton
John Garner	Mitch Kink
Hank Ostrosky	Archie Gottschalk
	Ray Smith

The second hearing was held on the following Thursday, March 19, from 3:40 P.M. to 5:45 P.M. The committee heard comments from:

Val Angasan	Jack McBride
Phil Daniels	Sidney Smith
Dean Paddock	Chip Toma

ISSUES

PUBLIC SAFETY CONCERNS

The presence of violence on the fishing grounds was without a doubt the most hotly contested issue by all parties, and consumed a substantial portion of the hearings. As indicated

in the original hearing report (see attached), residents of Bristol Bay generally downplayed the issue during the hearings in Dillingham and Naknek. Other bay fishermen, notably those members of the Bristol Bay Fishermen's Marketing Association, presented a conflicting view of the situation. Their testimony indicated that violence, and intimidation was directed at fishermen harvesting salmon before the general price settlement, and was a dominate aspect of the season.

Both sides testified extensively on the violence issue in Juneau:

Jim Beaton -

"...I truly feel that one reason there is a lot of this downplay (of violence) is just purely fear and intimidation; no more and no less. I talked first-hand with some people who were closely involved in some of these incidents; one of them had a gun held on him, and one who had his fish thrown over, and I urged them to come forth...and he told me that he was afraid for his family and his kids..."

Dean Paddock -

"...I think there was a tremendous potential there for the lid to blow off; the potential of threat was great. I'm just thankful nobody got killed, and they could have. It was very close, a very iffy thing. I saw people behave irrationally, and I saw mob psychology working..."

John Garner -

"There's a gray area there and where you draw the line and where I draw the line may well differ between scare tactics and violence...We want you to know that there were many fishermen who sat on the beach out of fear for exactly the kinds of reasons that you will hear on the tape."

(Reference to a tape submitted by Garner, transcript attached.)

Chip Toma -

"...I find it highly ironic that the very same fishermen who made limited entry such an emotional issue in 1973 are doing the same to the legislature of 1981 regarding violence. They are the only fishermen who are dragging this line through the water..."

Roy Smith -

"I wasn't bodily drug off the grounds, but I was circled, told that my boat should be sunk, that I was on their list and that they had taken pictures of me, I was going to have my picture on their so-called bulletin board, that I would definitely not be forgotten."

(speaking about an incident at the Dillingham Boat Harbor)

"He did say later that he had a flare gun and I saw him throw the oil in the boat and said he wanted the captain to show himself and he was going to kill him, that he was going to tear his heart out. He said, "I'm going to count to 10 and if you don't show yourself I'm going to torch your boat."

Jack McBride -

"The violence issue began here in Juneau and, has been--and still is being--perpetuated right here in Juneau. Here in Juneau, is where you hear about the violence--not in Bristol Bay."

#### MARKETING STUDY

Again, as in the initial hearings in the bay area, considerable support was given to a state funded marketing study to provide information to fishermen and processors prior to price negotiations.

Phil Daniels -

"Processors are much more sophisticated in dealing with the market. They know what's happening to a degree that the

fisherman can only speculate. That's the reason the marketing analysis is so important. You've got to have this information in the hands of the fishermen, and then maybe the fishermen will have a better opportunity to arrive at rational requests as far as price is concerned."

Rodger Painter -

"I'd like to emphasize that probably the best thing that the State could do is to provide some realistic analysis of world market for salmon, and I do think it's the State's responsibility."

Jim Beaton -

"First of all, of course, the marketing study; it really isn't to my advantage, but I don't have any problems with that. I think that it is probably a step in the right direction, providing that any one man could ever really understand the market."

Jack McBride -

"The state should also fund a study which would supply information which would be credible to both processors and fishermen. This study should include such things as, "how interest rates relate to the price fishermen get for their fish, what does the fresh frozen market do in relation to the canned market, how does the yen/dollar relationship affect the price of salmon, what does it cost to hold an inventory of salmon in anticipation of a higher price and how are other markets other than the Japanese effecting the price of salmon, and where can we find other markets."

Mitch Kink -

"A comprehensive study of World Markets for Bristol Bay sockeye salmon should be conducted by an independent economic consultant who does not work and has not worked for fishermen or processors to have a positive effect on an early settlement

of fish price in Bristol Bay the study should be completed by mid April. This means the process for implementation should be initiated as soon as possible."

FOREIGN CONTROL

Resentment towards the dominance of foreign-owned processors surfaced in Juneau, although not to the extent that it was expressed in Bristol Bay. Some individuals described it this way:

Archie Gottschalk -

"The marketing, financing, and processing aspects of the fisheries are predominantly controlled by foreign corporations, especially Japanese corporations: they determine the volume of salmon they want to pack, and as we have seen over the years, the price that they want to pay."

Hank Ostrosky -

"...The direct intervention by the state into the loaning practices of directing 75 million dollars to Japanese cartel instruments that undermined the price structure in Bristol Bay and created the tension."

PROCESSING SHORTFALL

Regardless of where individuals stood on other issues, a universal attitude in all hearings was that processors had a vested interest in not processing all available fish. Typical comments on the subject included:

Sidney Smith -

"The big issue that I see happened in 1980 was, all of a sudden, you've got a scare of saying that the market was going to be over-flooded which was correct. Japan only needs about 22 million to provide for their whole marketing system. Anything above that is excess."

Jim Beaton -

"...everything is on the side of the processor, don't

kid yourself there; the longer they go, the less volume; the better they are going to come out on their pack anyway. The whole thing is almost a stacked deck."

Phil Daniels -

"The industry estimated that they could process 37.1 million fish. I'm not sure those figures are correct, but I believe in a year when you have such substantial surpluses of fish, as we had last year; we're looking at 40 million sockeye coming back in Bristol Bay alone, there's every reason to suspect that many processors simply didn't want to harvest all that product."

Mitch Kink-

"...when a company has said that they have put 50,000 cases, this year they are going to put up 60,000 cases whenever they can, they have got so many boats, they are going to catch so many fish, I think this is poppyrot."

#### INFRASTRUCTURE

As would be expected, infrastructure needs of Dillingham were not discussed extensively in Juneau, however two individuals stressed those concerns like this:

Chip Toma -

"Implement some of the transportation improvements in Bristol Bay that will assist fish movement; airport lengthening and repair, docks and roads. This will increase healthy competition in addition to the ability to process more fish."

Jack McBride -

"Finally there are many shortcomings in the local infrastructure of Bristol Bay. These would include lack of docks, lack of adequate runways, lack of decent roads, lack of land, lack of harbors, even lack of access to adequate land."

STATE ROLE IN NEGOTIATIONS

Several persons felt that the state was not going far enough in its perceived role in Bristol Bay negotiations. Comments varied in scope, but many individuals expressed a belief that, without active state involvement, the industry would lack the means to overcome the procedural problems of negotiations.

Rodger Painter -

"Why have there been plans formulated to deal with violence in Bristol Bay when nothing has been done to head off a confrontation? I think the state has taken the wrong approach to this situation and should be trying to solve the problem up there, not to deal with a potentially-violent situation."

Val Angasan -

"The administration,...they haven't offered to step in and play a real part in the management of that resource."

Jim Beaton -

"I frankly would like to see the other things I mentioned: the vertical integration, the cooperative venture, the check and balance system that would prevent all of this stuff from happening, in lieu of the police force going up there...but until that comes about, and I don't see it coming about this year, I don't see where we can do anything except create at least an atmosphere where people will not be killed."

Mitch Kink-

"Set provisions for successful negotiation from free negotiation with deadlines, to mediation, to binding arbitration. The party that does not follow these provisions and deadlines as set down by the State of Alaska should be penalized.

Phil Daniels -

"The idea that we are going to have some prevailing, rational solution occur if it's simply left up to the fishermen

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BRISTOL BAY HEARING REPORT

and the processors does not seem, to me, reasonable. I do not think we are going to reach a solution in Bristol Bay unless the State takes a real interest in this negotiating process.

Prepared by:

Kevin K. Bruce  
Committee Aid  
Senate Judiciary Committee  
March 25, 1981

Written testimony or documents presented to the committee are attached.

PART 3.

Written testimony and documents presented to the Committee

TESTIMONY

presented to

JUDICIARY COMMITTEE  
&  
GOVERNOR'S TASK FORCE

in  
Dillingham, Alaska

on  
February 28, 1981

TESTIMONY

of

Kay E. Larson  
Deputy Director  
Bristol Bay Native Association

There are many kinds of people who participate in the Bristol Bay commercial salmon fishery. There are the doctors and lawyers who take a month's vacation from their regular jobs and fish for a "change of pace." These doctors and lawyers are, of course, happy if they can make a profit in the fishery but don't mind too much if they lose money because that gives them a good tax write off.

There are the year-round fishermen who follow the fish from California to Kotzebue. Although these fishermen are looking for a profit in the Bristol Bay fishery, they can stand a loss because they have incomes from the other fisheries in which they participate.

There are the few local fishermen who fish during the summer and then work all winter. These fishermen are also looking for a profit in the fishery but can survive on their winter jobs.

But the majority of our local fishermen have absolutely no other alternatives available to them--their entire year's income is derived from the commercial salmon fishery here in Bristol Bay. They are 100% dependent on the fishery because there is very little employment in the villages. The employment that is available is mostly provided through BBNA's CETA program (and I'll speak about our federal programs later). These fishermen, who are 100% dependent on the fishery, have a very different view of the fishery than that fishermen who comes here for a vacation and a tax write-off. The decisions

you make about the fishery should be based on these 100% dependent fishermen.

In 1977, the price of fish was 59 1/2¢ per pound and the price of gasoline was 60¢ a gallon. During that time, a fisherman could buy a good, new boat for \$50,000. In 1980, fish were bringing 57¢ a pound. But gasoline had gone up to \$1.25 a gallon and boats were up to \$80,000 to \$100,000. The price of fish has not kept up with our expenses.

There has been a lot of talk and concern expressed about canneries being able to make a profit. As fishermen, we are also concerned that canneries make a profit. Our future depends on them being healthy and we know it. BUT as fishermen, we, too, must make a profit. We cannot make a profit when our expenses are increasing at a much faster rate than our income. Economic returns to the fishermen must be considered as well as economic returns to the processors.

Last year there was also a lot of talk that fishermen should have been willing to take a low price for their fish and make the difference up in quantity. As fishermen who have worked with the canneries for many years, we knew this possibility would not be open to us. We knew that canneries would not increase their production and this proved true. Canneries have long operated with the "small grocer" attitude--a small amount of turnover in stock and their profit made on a resultingly large mark up. Processors have known for several years that the resource was on the rise. They should have changed their thinking to a "Safeway" attitude--a bigger turnover and profits based on quantity. Even though Fish and Game has predicted these good years, we have not seen a great deal of gearing up by the processors so that they would be ready for them. We have not seen Bristol Bay salmon advertised like "Charley Tuna." We have not seen the import of equipment to increase the lines in local canneries. In fact, we have not seen any gearing up in

preparation for these good years. We knew that processors would not be able to handle all of the fish and we knew that we could not make up the difference in price by selling more fish.

The State's idea of a market campaign to sell more Alaskan seafoods is a good one. It is a responsibility that processors have long avoided. Processors should have been out there a long time ago building up their markets and selling their products. In these days of greater amounts of salmon, processors should change their thinking from the "small grocer" to the "Safeway" attitude and get out there and really push their product.

The economic situation in Bristol Bay may become even more dependent on the salmon fishery than it is now. BBNA has been able to provide CETA jobs in the villages with federal funds. Although the wages under CETA are not comparable with a doctor's or lawyers' wages, the CETA job does provide survival during the winter. BIA General Assistance has also been a means of survival. With the present administration in Washington, D.C., we are anticipating cuts of more than \$1 million in federal monies which go to the people in the villages either in CETA wages or General Assistance. With cuts this large, the fishery becomes even more crucial. The number of 100% dependent fishermen will grow and the amount of dependency on the fishery will increase.

Bristol Bay fishermen have made many sacrifices in the fishery through the years. When the resource was down, they sat on the beach and tightened their belts the following winter. In those years, market prices were up and margins of profit to the processors were large. Fishermen accepted a depressed price last year even though their operating expenses had continued to rise. After the sett. went, market prices went up steadily which should have been a big help to processors. As fishermen, we are willing to make

some sacrifices but we cannot continue to be the ones making the biggest and longest sacrifices. During planning for the fishery or during price negotiations, the main concern always seems to be the viability and economic return to processors. Fishermen are businessmen, too, and their margin of profit must be taken into consideration.

Perhaps more competition on the processing side would make for a healthier industry. Competition in any industry is always healthy. State funding which would encourage the development of this competition could be a possible solution. Such funding should include new docks and airport improvements which would make it easier for new processors to come into the Bay. State funding should also include loans to newly developing processors. If the State will build new docks and improve our airports and will loan money to new processors, development of the fishery should be greatly encouraged. It appears that the only real answers lie with processors and a change in their attitude.

The decisions you are going to make will have a tremendous impact on the economic viability and returns to fishermen as well as processors. Please remember that fishermen are businessmen, too, and that their margin of profit must be taken into consideration.

Thank you.

A POSITION STATEMENT  
BY THE  
BRISTOL BAY NATIVE ASSOCIATION  
TO THE  
JUDICIARY COMMITTEE  
AND THE  
BRISTOL BAY TASK FORCE

"Violence Related to Bristol Bay Salmon Price Settlement"

My name is Fred T. Angasan. I am Executive Director of Bristol Bay Native Association, and I have also been a commercial fisherman in Bristol Bay for twenty-eight years. Strikes related to salmon price settlement have occurred in Bristol Bay virtually every two or three years. Therefore a strike situation between the fishermen and the processors is not an unusual occurrence.

I have vivid memories of one particular strike that happened in nineteen-sixty-nine. This strike was unusual in the means the fishermen used to form a picket line. A picket line was formed by approximately four-hundred fishing boats, which stopped fishing boats from going out the Naknek River to the fishery. In this situation scows still crossed the picket line without inflicting damage to any of the fishing vessels. Fishermen that did cross the picket line to fish were treated in a hostile manner by the striking fishermen. One particular boat returned from the fishing grounds with a large load of fish. Striking fishermen boarded his boat and painted the word "SCAB" on his boat with black paint. This incident was significant as the next day the striking fishermen came to an agreement with the processors. This fisherman was not physically harmed, nor was his boat damaged. In all the twenty-eight years of my experience fishing in Bristol Bay, no outbreak of violence has ever occurred. Violent situations that have taken place were individual confrontations that usually took place in Naknek bars.

In the 1980 strike which became needlessly long and tense, a number of picket lines were formed on the Naknek

and Nuahagak Rivers by hundreds of fishing boats in front of the Witney-Fidalgo cannery, which lasted several days. The striking fishermen used this means to stop cannery tenders from delivering salmon to the processing facility. This situation was very similar to the nineteen-sixty-nine strike with the exception that in nineteen-eighty, fifteen Alaska State Troopers were dispatched to the Naknek, Nushagak area. The Alaska State Troopers threatened the striking fishermen, stating that if violent situations did break out, they would confiscate their boats, gear and fishing permits.

Scare tactics by striking fishermen are mistaken by outside law enforcement officers and the press as acts of violence. For example, striking fishermen talking on their radio transmitters, saying things like telling how they would use guns if they had to, or possibly damaging a non-striking fisherman's net. These are not physical acts of violence, but simple scare tactics which is part of a process of expression in the development of an agreement leading up to a price settlement. The most serious problem in a strike are the scabs, not a direct confrontation with the processors.

The Alaska State Troopers and the media create violent situations by over reacting. Therefore in closing I caution the Judiciary Committee, and the Bay Task Force not to over react to the negotiation process or to strike situations. The Judiciary Committee and the Bristol Bay Task Force must stay within it's legal boundaries and confine it's efforts to the legal process and constitutionality.

STATEMENT BY

ANDREW GOLIA  
COMMERCIAL SALMON FISHERMAN

Before the Bristol Bay Task Force

Dillingham, Alaska

February 28, 1981

Madame Chairwoman, Legislators, and Task Force and staff members, my name is Andy Golia, and I'm a resident of Dillingham, having been born and raised in this community. I'm a commercial salmon fisherman, and during the winter months, I work as an Economic Planner with the Bristol Bay Native Association, the regional non-profit corporation based here in Dillingham.

Over the last year, I've served as a board member for the Western Alaska Cooperative Marketing Association (WACMA). Currently, WACMA is in the process of their annual election of their board, and I have been nominated for re-election to the board. In any case, because of the current litigation between WACMA and the State of Alaska, my testimony does not reflect my feelings as associated with WACMA. My testimony only reflects my feelings as a commercial salmon fisherman.

Briefly, I'd just like to say that I believe the Task Force and you legislators here should immediately endorse and try to secure funds to complete a market conditions study on Bristol Bay salmon. There has been some discussion locally about this idea, and I believe that fishermen in Bristol Bay would agree to this concept. I feel this study is highly important and could lead to an early price settlement in Bristol Bay.

The study should be conducted by a national or international

marketing firm which is reputable in the area of fisheries. The firm that is selected to complete the study should be reviewed and endorsed by the majority of the Bristol Bay processors and the fishermen associations. Perhaps, at least three (3) or five (5) reputable firms should be recommended, and then a deadline set for one (1) to be selected to conduct the study.

The study should examine the current market conditions for Bristol Bay salmon on the world market, and make projections on the expected market conditions for salmon up to the 1982 commercial season. The study should reveal the market situation for Bristol Bay salmon in Japan, Europe, and the U. S. domestic market. In essence, the study should reveal a fair price that fishermen should get for canned and fresh/frozen salmon, taking into consideration all the different market factors on the world market.

The completion of this independent study should give an idea to the Task Force, the Governor's Office, and the State Legislature on who's being fair and unfair in the price negotiations between processors and fishermen. We have heard that Governor Hammond would work to allow foreign processors into the Bay if the domestic processors don't offer a reasonable price to the fishermen. Likewise, we have also heard that if the fishermen are demanding too high of a price, then he would attempt to get fishermen into the Bay who want to go fishing for a lesser price.

I think the importance of this study is that it will give processors and fishermen a starting point in price negotiations this upcoming season. At least it will give the processors and

fishermen something to work with. Most of all, it would point out who's being fair and unfair in the price negotiations here in Bristol Bay.

In conclusion, because of the time constraints, and if this Task Force and you legislators agree upon the study, to expediate things, I would establish a time frame for the processors and fishermen associations to review and comment upon the selection of a marketing firm. The study should also be accomplished as soon as possible.

That concludes my testimony.

Thank you.

March 1, 1981

Madam Chairperson:

At present there is no control over Foreign Ownership in the fisheries. For all practical purposes the Japanese have a virtual strangle hold on Alaskan Fishermen through market manipulation of all our fisheries products. Our laws are not able at present to regulate Foreign ownership percentages. I suggest the Legislature's both Federal and State seriously attempt to secure laws that would limit the amount of Foreign ownership in the companies that are supposed U.S. Corporations. With this in mind we as citizens would realize more of the true value of our Fisheries Resources.

At present under Foreign treaties they can arbitrarily hold down fish prices onshore, say that we are not fully utilizing the fish and ask and most likely obtain an offshore allocation.

The Japanese government is the bank for their corporations involved in the fisheries, at present (I believe for 3%).

At our present 19½% prime interest rate and the exchange rate of yen per dollar, the Japanese Corporations really have our legitimate National Companies between a rock and a hard spot as far as competitiveness is concerned.

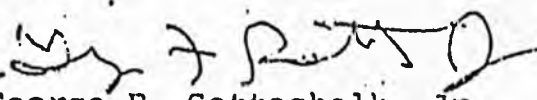
Our Permanent Fund should be more aggressive in assisting companies that are wholly owned Alaskan or Domestic owned Corporations, that are interested in developing Domestic Markets.

Transportation is also a hinderance for the sake of total fisheries resource realization, special tariffs should be pursued.

Regional Boards should be established to handle Regional situations as far as Management initiatives are concerned.

At present it is unfair to ask a Statewide Board to make prudent decisions for such a large area as Alaska.

In cases such as a bumper or high cycle years especially in Bristol Bay, Foreign processors should be solicited for maximum use of our salmon resources and for the sake of increasing processing capabilities which would ultimately allivate much of our quality control and market problems.

  
George F. Gottschalk, Jr.  
P.O. Box 132  
Naknek Alaska 99633

STATEMENT BY JACK MCBRIDE  
P.O. BOX 10222  
DILLINGHAM, ALASKA 99576

Madam Chairman, Legislators, Members of the Task Force and Staff, my name is Jack McBride. I am the Manager of the Inarpiik Regional Aquaculture Corporation.

First of all, we certainly want to thank all of you who have taken the time from your busy schedules to come here to Dillingham to listen to our concerns and suggestions. We know you'll go back to Juneau with a much better idea of our human feelings that would be impossible to express in letters and phone calls. We hope that you are bringing us a better understanding of the problems too, and some of the possible solutions.

We would like to let you know too, that KDLG has done an excellent job of informing the public of these issues, through, not only announcements, but also a number of discussions of the problems throughout this past week.

I'd like to quote from an article on page 19 in the July, 1980 issue of the ALASKA FISHERMAN'S JOURNAL which I have marked Exhibit A.

"The Japanese market has not collapsed nor are 1979 salmon inventories in Japan currently at abnormally high levels nor is the yen/dollar exchange rate the least unfavorable to Japan."

"As we reported last month in "Japan Marketplace," Japan is likely to import more salmon in 1980 than it did last year. The domestic catch in Japan is expected to be down sharply and last year's frozen inventories have been largely sold off."

STATEMENT BY JACK MCINTIDE  
P.O. BOX 10222  
DILLINGHAM, ALASKA 99576

Page Two

This article was written by David Keene and Brent Evans who are both fluent in Japanese and have lived, studied, and worked in Japan. David Keene is a marketing consultant in Japan and represents a chain of Japanese seafood restaurants. Brent Evans had recently worked for two years at a Japanese economic research firm in Tokyo.

This issue of the ALASKA FISHERMAN'S JOURNAL would have arrived in most fishermen's mail box during the height of Bristol Bay's price negotiations. Do you think that if this was the information that you had available to you that you'd find it just a little hard to accept the fact that you were going to be paid 40¢ per pound for fish that you had got as high as \$1.25 per pound one year earlier?

I think this points out that there were other facts in the "mix" or someone was misinformed or that indeed fishermen were not paid a reasonable price for their fish.

A State funded study by a firm that could supply credible information to both the fishermen and processor would go a long way to establish a price range within which both the fishermen and processor could feel comfortable to negotiate. This study should include information like the relationship of the yen to the dollar, interest rates, transportation costs, etc. This, I believe would be one positive way the State of Alaska could involve itself in a positive way.

Funding of programs such as the Alaska Seafood Marketing Institute is another positive way the State can involve itself. Obviously if the demand for salmon is high, the price will also be good.

STATEMENT BY JACK HEWITT  
P.O. Box 10222  
DILLINGHAM, ALASKA 99576

Page Three

Finding ways of lowering costs such as transportation is certainly another positive action. Providing easily accessible docks, improved runways and reasonable roads systems would lower the cost of production.

Marketing alternatives could be explored that fishermen could apply in attempting to solve their marketing or market-related problems. These would include organized exchanges, vertical integration and joint ventures, marketing boards, and others.

I also believe that the Governor's Task Force or whatever instrument is established to correct these problems, should not be disbanded as different problems arise each year and each year requires a little different approach to the solution and a Task Force responsive to these needs may very well prevent problems such as occurred in 1980 Bristol Bay, the State, and indeed, the world cannot afford to waste in excess of 100 million pounds of salmon as we did in 1980.

Thank you.

# Japan's dominance: realizing the US role

Brent Evans  
&  
David Keene  
An Analysis

ship can be spelled out in three adjectives: *adverso*, *passivo* and *resignd*.

### The Japanese— advocates of customers?

It is a paradox that we, the sellers, have come to regard the Japanese, the buyers, more as adversaries than customers. An adversary is someone you approach with suspicion, whereas a customer is someone you approach with the desire to serve. In dealing with an adversary you are primarily interested in his motives and how a particular action of his could damage you. In dealing with a customer you are primarily interested in his needs and how his actions could be adapted so as to maximize mutual profitability. Interaction with adversaries is essentially combative, whereas successful interaction with customers is keynoted by cooperation.

It is not difficult to perceive that our fundamental outlook towards the Japanese as adversaries/buyers instead of customers/buyers is unhealthy and counterproductive. If it continues to persist it will severely retard the growth of a relationship that has the potential of being staggeringly profitable for both sides.

### Passive seller vs. active buyer

The second characteristic of our position as sellers of seafood products to Japan is passivity. To us, passive seller is a contradiction in terms. A seller is supposed to be aggressive. To be successful, he must first go out and get a feel for the market and then capture it by carrying out a carefully designed plan of attack based on his findings. However, in looking at what has been happening in our industry over the past several years, we see that the Japanese—the buyers—are the ones who have grabbed the initiative. They have established permanent representation here and have been aggressive in appropriating capital for acquiring, modernizing and expanding processing operations.

The hegemony of their presence in our industry to the point where they can effectively dictate prices and terms to us did not come by accident. It is the fruit of long-term planning and single-minded efforts to cope with anticipated seafood shortages caused by the world-wide move to declare the 200 mile economic zone. Viewed in this way, their presence here is nothing else but the result of sound business practice—doing what one has to do in order to secure a reliable source of supply.

Unfortunately, we have contented ourselves with being passive ob-

At high prices, and it was hard to visualize circumstances in which the above would be on the other foot. Why go to the expense and bother of fighting all the way over to Japan to recruit customers when all we have to do is run our fingers down a convenient list of phone numbers for the Seattle offices of Taiyohi, Taiyo, Nippon Suran, Nichiro, Kyokuyo, Marubeni and other major Japanese buyers? This is the compelling bit of logic that made us passive sellers.

It is a vulnerable role indeed. The collar who opts for passivity will eventually be dominated and taken advantage of by a set group of buyers. This is particularly true when the buyer-seller relationship is essentially an adversary one. Our position is further clouded by our reliance on these major importers to market our products in Japan. If they do a good job, fine. If not, then our products are discredited in the eyes of those who consume them. In last month's *Japan Marketplace*, we pointed out that fish imported from the U.S. (*Yunyumono*) is not held in very high esteem by the Japanese public, a circumstance which indicates that the marketing job being done is far from satisfactory.

### Resignation

The third underlying feature of our position vis-a-vis the Japanese market is resignation. Although obviously dissatisfied with the way things are, we nevertheless continue to find excuse for inaction and thus acceptance of that status quo in our dealings with Japan.

"Corporations like Mitsubishi and Taiyo are too big and too sophisticated—it's impossible for us to compete with them on their home turf."

Today, the cultural and language differences are insurmountable." Recognize these statements? They belong to the conventional wisdom shared by businessmen from many other industries besides our own. It has as its fundamental tenet the belief that the Orient, especially Japan, is surrounded by an impenetrable shroud of mystery and will forever remain inscrutable to Westerners. Thus it is that in venturing our opinion about the one-sidedness of our buyer-seller relationship with the Japanese, there is never any mention made of possible counter-measures or plans of action which have as their goal the upgrading of our position to that of an equal. This lack of initiative is a sign that we have resigned ourselves to whatever fate has in store for us.

In the foregoing, we have attempted to outline symptoms of a malady besetting our industry. We maintain that there is a cure; namely, changing ourselves to cooperative, aggressive, determined sellers. This calls for a radically different approach to the Japanese market. We must begin to take responsibility for our own marketing instead of entrusting it to a small elite of major trading and fishing companies. In next month's editorial we will get into some concrete proposals for doing just that by taking stock of latent strengths in our position vis-a-vis the Japanese market and capitalizing on them. □

David Keene and Brent Evans are both fluent in Japanese and have lived, studied and worked in Japan. A marketing consultant in Japan, David Keene represents a chain of Japanese seafood restaurants. Brent Evans recently worked for two years at a Japanese economic research firm in Tokyo; he is currently general manager of the Journal.

## Trollers' Lament

In the fog'sie, making up hoochies,  
While the surf pounds over the rocks,  
A hard-working man devises a plan,  
While the ocean teases and mocks.

The salmon outsmarted us today,  
As they have many times before,  
And a Southeast gale made us turn tail  
and find a snug little port.

It's an uncertain life, to say the least,  
For on nothing can you rely,  
You desperately wish to run into some fish  
And a cannery wanting to buy.

It's a way of life that's passing away  
In front of our saddened eyes,  
Batting the ocean, in perpetual motion  
In search of the Kings we so prize.

For the fisherman adapts to the ocean,  
And finds a way to survive,  
But the constant frustrations of new regulations  
May just be the fleet's demise.

For the runs aren't what they once were,  
And they certainly need to do something,  
They didn't foresee a depleted sea,  
Tho they still might save the King.

And find a renewal of the troll fleet  
In a few years, with a big run,  
For with no fishermen here, there are no ploverers,  
And the individual is done.

— Terry Talbot  
Wauveil

Alaska fishermen are being asked to bite the bullet this year on salmon prices. Justifiably, perhaps, but not for the reasons frequently repeated these days to fishermen. The Japanese market has not collapsed nor are 1979 salmon inventories in Japan currently at abnormally high levels nor is the yen-dollar exchange rate the least unfavorable to Japan.

As we reported last month in *Japan Marketplace*, Japan is likely to import more salmon in 1980 than it did last year. The domestic catch in Japan is expected to be down sharply and last year's frozen inventories have been largely sold off. Even allowing for a much higher than reported catch level from Russian waters, Japan will be looking to buy as much as 70,000 metric tons (1979 import total was 51,697 mt). Added to this, a sharply rebounding yen over the last two months has strengthened the buying power of Japanese seafood importers, making U.S. seafoods purchased with dollars less expensive.

With Japan's market conditions conducive to large volume imports in 1980, this year's sockeye prices reflect more the strong bargaining position of Japanese buyers than random fluctuations.

To be fair, it needs to be reiterated that 1979 was a very bad year for the Japanese seafood industry as a whole. Too much seafood was purchased at too high a price, and many firms, importers, wholesalers and retailers, suffered losses. Importers in particular are still being criticized in the Japanese press for speculative practices which further tarnished the industry's image with the Japanese public.

Anxiety in Japan caused by the adoption of 200-mile limits around the world had a lot to do with the prices they were willing to pay for U.S. fish in 1978 and 1979.

Last year's financial setbacks and public criticism have brought Japanese fish importers back to earth, leading to a reevaluation of both their bargaining position with the U.S. and the price they would pay for salmon.

In short, major Japanese buyers know that as long as the U.S. relies solely on them to buy, import and market fish in Japan, they can impose terms weighted strongly to their advantage.

When looking for someone to blame for the present hard times it is almost axiomatic that the accusing finger be pointed at Japan. Our complaints run something like: "It's no wonder we're not getting anything for our fish—the Japanese have a stranglehold on the whole industry," or "To get us hooked they come in one year offering to buy all our production at any price. Then once they have us where they want us they demand higher quality product at outrageously low prices. The big Japanese companies had it all figured out in advance. It's nothing more than out-and-out conspiracy."

Such complaints are noteworthy not for the amount of truth they are based on but for the disquieting facts they reveal about our trading position with Japan. Our relation-

TESTIMONY BEFORE SPECIAL JUDICIARY / BRISTOL BAY

SUBCOMMITTEE, JUNEAU, 3/20/81

MY NAME IS CHIP THOMA. I AM THE FOUNDER AND FIRST EDITOR OF THE UFA NEWSPAPER, THE ALASKAN FISHERMAN, THE PEOPLE AND PUBLICATION THAT BROUGHT THE ISSUE OF LIMITED ENTRY TO THE ALASKAN LEGISLATURE IN 1972 AND 73. I AM ALSO THE FIRST WRITER IN THIS STATE TO EXPOSE THE EXTENT OF JAPANESE OWNERSHIP IN ALL LEVELS OF THE ALASKAN ECONOMY.

ADDITIONALLY, I ASSISTED LAST YEAR IN BOTH SETTING UP THE FINANCING AND MATERIAL LOGISTICS FOR THE HERRING GILLNET FISHERY AT CAPE ROMANZOF ( VILLAGES OF CHEVAK, HOOPER BAY, SCAMMON BAY ) AND I SUCCESSFULLY HELPED TO ARGUE THE EXCLUSION OF HERRING SEINERS NORTH OF CAPE NEWENHAM (TOGIAK) LEAVING THIS FISHERY TO PRIMARILY LOCAL INTERESTS.

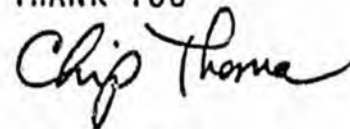
I HAVE A FEW BRIEF COMMENTS ON THE BRISTOL BAY SALMON RUNS OF 1980 AND 1981;

- 1) ALONG WITH MANY OTHERS, I DECRY THE LOSS OF SALMON RESOURCE UP THE CREEK LAST YEAR, BUT I DO BELIEVE THE PRICE OFFERED TO FISHERMEN WAS TOO LOW. CONSEQUENTLY, I EMPATHIZE WITH THOSE FISHERMEN WHO HONORED THE STRIKE. AS I THINK WE'VE ALL LEARNED FROM THESE HEARINGS, THE INABILITY TO PROCESS THE CATCH IS DIRECTLY RELATIVE TO PRICE AND RELUCTANCE TO COME TO AGREEMENT IN A TIMELY MANNER.
- 2) ~~I FIND IT HIGHLY IRONIC THAT THE VERY SAME FISHERMEN WHO MADE LIMITED ENTRY SUCH AN EMOTIONAL ISSUE IN 1973 ARE DOING THE SAME TO THE LEGISLATURE OF 1981 REGARDING VIOLENCE. THEY ARE THE ONLY FISHERMEN WHO ARE DRAGGING THIS LINE THROUGH THE WATER, THE EXACT SAME INDIVIDUALS WHO EXAGGERATED THE CASE FOR LIMITED ENTRY IN 1973.~~
- 3) I'D LIKE TO REMIND THIS COMMITTEE THAT LIMITED ENTRY LEGISLATION WAS BASED ON TWO PRIME FEARS; THE RESOURCE DESTRUCTION FROM BAD WINTERS AND THE POTENTIAL OF TOO MANY FISHERMEN RELOCATING TO ALASKA FROM WASHINGTON STATE BECAUSE OF THE BOLDT DECISION.  
BUT LIMITED ENTRY WAS NOT SET UP TO MAKE FISHERMEN A SEPERATE CLASS IN SOCIETY - IT WAS DONE TO PROPERLY HARVEST A COMMON PROPERTY RESOURCE OF THE STATE. A PERMIT IS JUST THAT.. A PERMISSION TO FISH. I SUGGEST IF ANYONE WANTS AN ADDITIONAL OR SPECIAL POLICE PROTECTION, THEY EITHER RUN FOR PRESIDENT OR START A CIVIL RIGHTS MOVEMENT. THESE ARE THE ONLY EXAMPLES IN SOCIETY I AM AWARE OF THAT SPECIAL PROTECTION IS WARRANTED.
- 4) THESE LAST POINTS I'D LIKE TO MAKE ARE RECCOMENDATIONS FOR 1981:
  - A) IMMEDIATELY INSTITUE A MARKETING STUDY. THIS COMMITTEE HAS BEEN ASKE TO DO THIS SINCE IT'S FORMATION. THE GOVERNOR'S TASK FORCE HAS BEEN ASKED TO DO SO SINCE NOVEMBER.
  - B) IMPLEMENT SOME OF THE TRANSPORTATION IMPROVEMENTS IN BRISTOL BAY THAT WILL ASSIST FISH MOVEMENT; AIRPORT LENGTHENING AND REPAIR, DOCKS AND ROADS. THIS WILL INCREASE HEALTHY COMPETITION IN ADDITION TO THE ABILITY TO PROCESS MORE FISH.

- c) I'D LIKE TO SUPPORT SOME OF THE POINTS MADE BY MITCH KINK OF AIFMA:
- a) A TIMELY MARKETING PLAN
  - b) DO AWAY WITH THE ONE BOAT, ONE COMPANY CONCEPT, BY A NON-DISCRIMINATION AGREEMENT BETWEEN THE STATE AND ANY PROCESSING COMPANY THAT RECEIVES A STATE LOAN, BE IT FOR PACK OR EQUIPMENT. THIS WILL ALLOW ANY BAY FISHERMAN TO DELIVER TO NEARLY ANY PROCESSOR, + WILL COMPLETELY CHANGE THE PRESENT WAY OF DOING BUSINESS IN THE BAY, FOR THE BETTER.
  - c) I AGREE THAT SOME ASPECTS OF BINDING ARBITRATION SHOULD BE IMPLEMENTED. IF THE STATE WAS READY TO MOVE THIS WAY, AGREEMENTS COULD HAVE TIME LIMITS AND PRICE RANGES TO ARGUE, NOT THE WIDE OPEN SPECTRUM AS IT NOW EXISTS.
- 5) LASTLY, TIE THE PROPOSED PACK LOANS FOR 1981 TO AN AGREEMENT SIMILAR TO THE ONE DEVELOPED IN THE SENATE LAST YEAR; THAT LOANS WILL BE WITHHELD UNTIL A FAIR, REASONABLE PRICE IS NEGOTIATED AND SIGNED WITH THE FISHERMEN'S ASSOCIATIONS. UNLIKE REPRESENTATIVE MALONE, I DO NOT CONSIDER THIS A SLEDGEHAMMER, BUT A HEDGE ON THE ABUSES THAT OCCURRED LAST YEAR. AS YOU KNOW, THE SAME FIRMS AND INDIVIDUALS WHO GOT THE LOANS LAST YEAR WERE THE PRIME ABUSERS OF FAIR PRICE, SETTLING UP WITH THE FISHERMEN AND THE MISUSE OF THESE LOAN MONIES, PRECISELY BECAUSE NO STRINGS WERE ATTACHED TO THE FINAL LOAN FORM.

FINALLY, I'D LIKE TO THANK THE MEMBERS OF THIS SUBCOMMITTEE WHO HAVE EXTENDED AN EFFORT TO SOLVE THE PROBLEMS OF THE WORLD'S GREATEST FISHERY, BUT LIKE MR. CHUCKWUK, I AM PUZZLED WHY THERE ISN'T MORE INTEREST ON THE PART OF OTHER MEMBERS OF THE LEGISLATURE. I COMPLIMENT KEVIN BRUCE'S SUMMARY REPORT OF THE SUBCOMMITTEE'S TRIP TO THE BAY AS IT SHOWS THE LEVELS AND MAGNITUDE OF THE RESIDENT CONCERNS.

THANK YOU



CHIP THOMA



# UNITED FISHERMEN OF ALASKA

MAILING ADDRESS & OFFICE  
197 SOUTH FRANKLIN ST  
JUNEAU, ALASKA 99801  
907 586-2820

SUBMITTED BY: RODGER PAINTER

Rodger Painter  
Executive Director

RESOLUTION #81-1

March 11, 1981

WHEREAS the commercial salmon fisheries are vitally important to Alaska's economy; and

WHEREAS Bristol Bay sockeye catches are expected to account for more than one-fourth of the 1981 statewide salmon harvest; and

WHEREAS limited world markets for Alaska salmon products will be greatly influenced by the amount of sockeye harvested in Bristol Bay during 1981; and

WHEREAS there was strong disagreement over the condition of world salmon markets during the long, bitter price dispute between processors and salmon fishermen in 1980; and

WHEREAS the over-escapement of 21 million sockeye salmon in Bristol Bay during 1980 may sharply reduce survival rates; and

WHEREAS continued underutilization of the tremendous Bristol Bay salmon resources could result in a reallocation of the fish under international treaties to Japanese fishing fleets; and

WHEREAS Bristol Bay fishermen and processors have widely divergent views of the condition of world markets for Alaska salmon during 1981; and

WHEREAS all of Alaska's commercial salmon fishermen will be affected by the outcome of negotiations over the price of sockeye salmon in Bristol Bay; and

WHEREAS the State of Alaska has assumed the lead role in attempting to solve the complex problems leading to the price standoff in Bristol Bay; and

WHEREAS the State of Alaska has the responsibility for the sound economic management of the natural resources belonging to all citizens of the State; and

WHEREAS a first class study of world salmon markets would give fishermen and processors common ground for discussions of prices for Bristol Bay salmon and pinpoint the market value of the state's valuable salmon resource in Bristol Bay;

BE IT RESOLVED that the United Fishermen of Alaska believes the State of Alaska has the responsibility to fund a first class study of world markets for Bristol Bay salmon to help ensure full utilization of the resource and avoid the potential of losing the crucial salmon runs to Japanese fishermen.

MR. ~~Chairman~~ Chairman, Legislators and staff. I am Jack McBride from Dillingham Alaska. I am the General Manager of the Imapik Regional Aquaculture Corporation.

The statements to follow are my own and do not represent an official position of the organization that I am employed by.

I am here today to ask you to think about where the violence in Bristol Bay starts. Several of you came to that area recently to listen to the citizens of Bristol Bay. Over 5 percent of the total population of Dillingham came to listen and express their views--over 10 percent of the total population of Naknek came to listen and express their views. The entire population of Bristol Bay in over 30 villages had the opportunity to call in during the meeting, which was being broadcast live by KDLG, Bristol Bay's radio station. Yet, not one person among them, told you that Commissioner Nix should send more peace officers up there--not one person among them, suggested that Limited Entry permits be revoked or restricted for certain acts of violence by fisherman.

Now I come to these meetings in Juneau and a number of people have testified that controls are necessary. Someone suggested that it was fear that prevented people in Bristol Bay from speaking up.

Many of these citizens have spoken up on other controversial issues--and even if they were fearful they spoke up anyway. I would find it hard to believe, as I'm sure you do, that there are over 5,000 cowards in a community that has one of the harshest natural environments in the United States--a community where survival is an every day fact of life. To suggest that not even one person would speak out, is an insult to those citizens.

The violence issue began here in Juneau and, has been--and still is being--perpetuated right here in Juneau. Here in Juneau, is where you hear about the violence--not in Bristol Bay. A handful of people are running up and down the halls of the capitol building taking up your time, telling you about this violence.

If you'll remember, you began hearing about this violence long before the 1980 fishing season, and these people were telling you about the threat of violence in 1981 before the nets were dry after the 1980 season

2-2-2-2-

They made you believe it too. I don't see one uniformed police officer at this hearing, nor did I see one the other day. Yet in both Dillingham and Naknek there were a number of uniformed police officers at the meetings. Police officers picked you up at the airports and escorted you to the meetings. There were five police vehicles sitting outside the meeting hall in Dillingham during the meeting. One police officer who didn't know me, obviously, offered to drive me to the hotel after the meeting. Now I've been walking to and from work for nearly two years up there and not once was I asked if I cared for a ride by a police officer. I hope you folks came away understanding that we, in Bristol Bay, are just as law abiding as the people in Juneau are. We believe in going through the political system as you do. We're just not as good at it.

I want you to think about who these people are who are taking up your time telling you about the violence. They tell us, in these hearings, of their leadership <sup>ROLES</sup> in the fishing industry's concerns--yet the majority of the fishermen are not telling you about the violence.

I would say that neither fishermen nor the residents of Bristol Bay are in favor of any new controls to prevent violence. Neither are they in favor of violence. New controls would only tend to "accentuate the negative" and will only tend to solidify any adverse positions that have occurred and would leave even less room for useful communication.

Fifty laws in Bristol Bay will not make a problem go away that was created in Juneau for a few peoples' self interest. The laws that Commissioner Nix now has at his disposal are adequate for all other situations and I believe they are also adequate to handle this situation, and we won't be assuming that it is only fishermen who might commit an act of violence.

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Whenever, we as citizens, find ourselves in an adverse position with another citizen our first reaction is to think that we are the one that is right, and that the law should settle the problem in our favor, which, of course, is the only just way. . . the saying goes, "It depends on whose ox is being gored."

Situations such as this are political and always very sensitive, and we cannot expect to settle the problem by the use of an officer of the law, nor do they want to be put into the position of settling the problem, and we're wrong to ask them to . Do we want law officers to settle our political and social disputes? When we do that, we are a police state, and I don't think any of us would want that.

Bristol Bay salmon do not belong to any group of fishermen. Nor do they belong to all the fishermen. Nor do they belong to the processors. They belong to all of the citizens of the State of Alaska and it is the state's obligation to see that the salmon resource of Bristol Bay is utilized to its maximum, taking into consideration, good management practices.

Obviously when there is an over-escapement of 105 million pounds of fish, something is wrong with the system and the state has an obligation to find remedies, whereby, this situation will not happen again. Pointing fingers at different groups of fishermen is not the answer nor will pointing fingers at processors help. An honest assessment of the entire situation and its shortcomings needs to be undertaken by the state and then these shortcomings need to be addressed in a positive way.

I see at least three very definite shortcomings and there are more. They are: lack of markets, lack of processing capabilities and lack of infrastructure in the bay, to properly handle the resource.

The state took a big step this past year by funding the Seafood Marketing Institute. This is a positive step. When the market is right the price will be right. . .

Different methods of marketing should be analyzed--can we learn anything from other fishing countries or can we learn anything from the marketing of other commodities.

Processing capabilities should be analyzed, and are these facilities being fully utilized.

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4-4-4-4-4.

Is it true that markets are being controlled by the amount of fish processed, and, if it is true, what can the state do about it.

Finally there are many shortcomings in the local infrastructure of Bristol Bay. These would include lack of docks, lack of adequate runways, lack of decent roads, lack of land, lack of harbors, even lack of access to adequate land.

The state should also fund a study which would supply information which would be credible to both processors and fishermen. This study should include such things as , "how interest rates relate to the price fishermen get for their fish, what does the fresh frozen market do in relation to the canned market, how does the yen/dollar relationship effect the price of salmon, what does it cost to hold an inventory of salmon in anticipation of a higher price and how are other markets other than the Japanese effecting the price of salmon, and where can we find other markets."

These are all things the state can do that are positive, and I'm sure there are others. Making new laws against violence will not correct the reasons why the salmon resource is not being utilized in Bristol Bay and will not even correct the violence. Let's do some positive things that will correct the problems, and there won't have to be any reason for violence, and the state will have maximized the utilization of the resource of Bristol Bay salmon for all of the citizens of the state of Alaska, and not for a chosen few for their own self interests.

From: Mitch Kink, General Manager A.I.F.M.A.

To: Senate Judicial Hearing Committee

Re: 1981 Bristol Bay Fisheries

The following are the recommendations and suggestions made by Mitch Kink (G/M - AIFMA) to Senate Judiciary Committee Hearings held in Nakneh, March 1, 1981.

1. The State of Alaska does absolutely nothing during fish price negotiations. But the different commissions should prepare a plan to be implemented when the need calls for such a plan. Example; If the safety of people is in jeopardy then the Public Safety Commissioner should put his plan to work, etc.
2. Set provisions for successful negotiation from free negotiations with deadlines, to mediation, to binding arbitration. The party that does not follow these provisions and deadlines as set down by the State of Alaska should be penalized.
3. Do away with the one boat, one company concept. Example: If one company settles for a price from Bristol Bay Salmon then everybody in the bay can sell to that company without any reprisals, on a first come, first served basis, and if any surplus salmon shows up in that Company's program, they must shut down that operation until all the salmon run can be utilized.
4. The State of Alaska will not issue any licenses to do business in Bristol Bay Fisheries until the complete cycle of doing business in the Bay Fisheries is completed.
5. Create a good climate for good and meaningful negotiations, by doing a feasibility study on the financial structure of Bristol Bay. This study should start with the financial history of the Bay to the present trends.
6. A comprehensive study of World Markets for Bristol Bay sockeye salmon should be conducted by an independent economic consultant who does not work and has not worked for fishermen or processors to have a positive effect on an early settlement of fish price in Bristol Bay the study should be completed by mid April. This means the process for implementation should be initiated as soon as possible.

## ICICLE SEAFOODS GIVE THE FROZEN SHAFT TO BAY FISHERMEN

The Japanese "brokering Cartel" that controls Alaskan Fisheries has effectively used Icicle Seafoods of Petersburg, Alaska as the major processor to fix prices to Alaskan fishermen/producers in Bristol Bay and the rest of Alaska.

This Cartel operates on an international basis and is presently under investigation by the Anti-Trust Division of the Justice Department, Federal Trade Commission, Civil Rights Commission, and the Merchant Marine and Fisheries Committee of the U.S. Congress which is chaired by Representative Breaux of Louisiana.

In our own investigation of Icicle Seafoods, we found some very interesting relationships between major stockholders who hold important policy determining positions on Federal, State and International boards which aid and abet their manipulations of allocation and prices of salmon which benefit their collaboration in the Japanese controlled Cartel.

For instance, Bob Thorstenson is the largest stockholder of Icicle (whose parent company was Petersburg Fisheries and before that, Petersburg Fisheries Co-op) is a member of the International North Pacific Fisheries Commission (INPFC) that allocates salmon between the United States, Japan and Canada along a variable abstention line in the North Pacific and the Bering Sea. Gorden Jensen, also a major stockholder of record in Icicle, sits on the Alaska Board of Fish and Game and the North Pacific Management Council whose former Chairman, Elmer Rasmuson, owner of the Bank of Petersburg and the chairman of the Executive Committee of the National Bank of Alaska, also sits on the INPFC with Thorstenson.

This cozy cabal results in the control of the allocations of salmon in the international waters controlled by INPFC, then to the waters within the 200 mile limit Fisheries Management Zone of the U.S. controlled by NPFMC and then into the inshore waters controlled by the Alaska Board of Fish and Game.

When we received copies of the Debt Structure of Icicle Seafoods, we found that Mitsubishi International Fund, along with Hoi, a wholly owned subsidiary of Fuji Oil of Japan, had loans in excess of \$1<sup>F</sup>,000,000.00 to Icicle and by using select banks in Alaska and Seattle, washed their money through the system so that the fisherman/producer subsidized the whole financial structure through which the Cartel group manipulated the allocations and the prices.

This scheme is resulting in the bankruptcy of many producer/fishermen and will further result in the excessive prices paid by the consumer/housewives in the U.S., Europe, Japan, and the rest of the world.

Even though Icicle Seafoods surfaces as an Alaskan/American owned Corporation, the control of its financing and marketing structure places it in full compliance and conspiracy with the Japanese agents of the International Cartel.

Further investigation discloses that American Counterpart Funds are washed through the Japanese banking system and then come back through Japanese processing companies to purchase American processing assets with low interest and no interest loans. These funds are also used as no interest loans to purchase fish by select corporations.

Involved in this price fixing conspiracy are major U.S. banks such as Crocker International, Rainier Bank, Seattle First, and Citibank of New York, to name a few.

These groups, along with American and European counterparts are involved in a multi-billion steal of Alaskan/American/Bering Sea assets, in which the victims are the legitimate fisherman/producers and the consumer/housewife.

The Administration of the State, along with select legislatures have been directly involved with the Japanese Cartel. The Governor's Office of Jay Hammond, under the direct control of Bill Spears, who, as a trustee of Alaska Renewable Resources, Corp. (ARRC) allocates large grants of money from the Permanent Fund to subsidize low interest/no interest loans to Icicle Seafoods to undermine the price structure of Alaska producer/fishermen. This further enhances the control of the Japanese Marketing Cartel.

To date over 13 million dollars of State tax money has been washed through ARRC specifically to fix a low price to the producer/fisherman.

Contrary to the eyewash article written by Bill Blessington of the Anchorage Times, this low price to the fishermen is not going to lower the price to the consumer.

Within two months, record-high prices for salmon will be paid by the consumer because of the international manipulation of the Cartel.

The huge profits that will be made by the processor/broker will not surface in Alaska or the U.S. The profits will surface in Japan where the distribution of the spoils can take place and defy documentation because of lack of a foreign "conflict of interest" policy by the U.S. or the State of Alaska.

The sell-outs and pay-offs reached into all levels of the fishing industry in the form of State and Federal subsidized loans, job offers, partnerships in various fish brokering schemes, and hidden fish prices to various administrative heads and board members of fisheries associations both resident and non-resident. (A fiscal and physical audit of the funds and assets by the Budget and Audit committee is long overdue.)

It was interesting to note that the resident and nonresident fishermen quit fighting long enough this year to realize that they were both being screwed by their own agents brokering what little organization that was left, for their own personal accounts.

The flagrant machinations of Phil Daniels, special consultant lobbyist for the United Fisherman of Alaska (UFA) along with Bob Blake, UFA president from Cordova, is an embarrassment to the members of that organization. A major reassessment of that organization and its priorities are in order if they are to continue as a force in the fishing industry of Alaska.

The direct involvement of both Daniels and Blake in price fixing and organization manipulation with Icicle Seafood will give students of Alaska fishing history an insight into the takeover of the Petersburg Fisheries Co-op by the present majority stockholders of Icicle.

The Alaska Independent Fishermen's Marketing Association (AIFMA) -- whose initials by a strange coincidence can be manipulated to spell MAFIA -- is also going through an organizational change with charges and counter charges of "sell out" against its former administrative officers and board members who discreetly resigned at the insistence of the majority of its members. This fishermen group is going through the agonizing discoveries of how it was screwed. Its leadership and all the basic information on industry cost figures but chose to use the dubious information of a consultant, Richard Wilson, a former City Manager of Cordova, who used his share of the \$25,000.00 AIFMA marketing study money to set up a fish buying station at Paul's Creek to buy cheap fish at 40¢ a pound from AIFMA, WACMA, and UFA scabs.

The three major factions that control AFIMA, the Italian, Scandinavian and Yugoslavian representatives are now eyeballing each other and the representatives of these groups are endeavoring to keep the fishermen apart and from comparing notes. They have good reason to believe that if the fishermen really start talking to each other the feeling of getting screwed is the same in any language or any culture.

The wholesale political brokering of their membership for the benefit of a few so called "leaders" may result in the realization that could lead to a legitimate fisherman/producer Co-operative being formed capable of serving their direct economic interest.

The eyewash Alaska resident contingent of AIFMA, which has never been seriously considered in the past, is also under direct fire. It is interesting to see what excuses they will come up with especially those wheel dogs acting as leaders who were involved in the price fixing/manipulations.

All in all , the Bristol Bay News will have an interesting time reporting and analyzing the enfolding future fishing scenairo..

BRISTOL BAY NEWS  
26 July 1980

Excerpts from tapes of radio traffic on the Naknek River on Saturday, June 28, 1980. 

Prepared aboard the Department of Public Safety surveillance vessel, M/V Vigilant, Capt. Lockman in command.

The excerpts are in chronological order from a single 90-minute tape, highlighting the most relevant conversations. Excerpts are only presented to save the Committee time; however, the complete tape is available for the Committee on request.

A Salamatoff Seafoods salmon tender - the Sal-Sea Belle - is moving up the Naknek River with a load of salmon on June 28, 1980, while the fishermen's strike is still ongoing. Striking fishermen are trying to prevent the Sal-Sea Belle from reaching a dock where the fish can be off-loaded.

At the same time, fishermen are discussing the possibility of blockading the mouth of the Naknek River (to keep vessel traffic from entering or leaving the river) and patrolling the grounds to keep fishermen from fishing.

PRESENTED BY: JOHN GARNER

Lockman: If they're shooting at him, then its a whole different ball game, OK.

Fisherman #1: For Chris's sake, why in the hell don't they stop this shit? What're you guys doing out there--just... having fun?

Fisherman #2: Fuck you...

Fisherman #3: They sound like a whole bunch of really big men, about four years old.

Fisherman #4: Somebody's going to get....

BREAK

Fisherman #1: He's right in our starboard side--he's right on there, ...'s leading this guy in here.

Fisherman#2: Whats somebody going to do to block them Whalers...get that son of a bitch while they're loading...and ...OK

Fisherman #3: Whats the matter with these damn people, are they all stupid?

Fisherman #4: Think they've just stuck our quotas up there on top this violence...why don't you move your ass--

Fisherman #5: What are you doing to stop that scow before somebody gets hurt--we may have to shoot one of 'em before anybody wises up--

BREAK

Fisherman#1 We want more support, and we want men.

Fisherman #2: What are you talkin' about...  
You can see nothing's going down here.

Fisherman #3: ...forced to get a

Fisherman #4: Just watching us play games, they can stop this shit. and they...the god damned anchor before somebody gets killed. Nobody can get a shot of you running up there.

BREAK

Fisherman #1: Shoot 'em!

Fisherman #2: He's got Fish & Game right by his side--

Fisherman #3: God damned boat!

Fisherman #1: Shoot the Fish & Game, shoot 'em!

Fisherman #5: They got bigger guns than you, ya wimp ass suck...

BREAK

Fisherman #1 I feel the, uh- explosive nature, uh, of this whole thing, uh, why is it that...maybe...you didn't close 'em, so that, um, they'd think it's serious...

Lockman: Yeah, roger, that's gotta be my recommendation. I agree it's gone a little too far now, OK.

Fisherman #1: Yeah, I think so, uh, its not enough, uh, not enough boats fishing here to make, uh, any difference in the, uh, escapement, errr, all that kind of stuff, its just too risky; we don't want to see any, anybody go down here.

Lockman: Yeah, um, thats our concern, uh, ya' know, that's why we haven't we haven't taken any action, uh, so far. We've just been sitting here watching people break the law, you know. We're not going to continue to do that. Uh, I'm going to recommend to the State arbitrators that they just shut, close Bristol Bay for the year and everybody can start again next year. OK.

Fisherman #1: Well, maybe thats the way to do it.

Fisherman #2: Don't be ridiculous.  
I came to fish.

Lockman: Yeah, I, uh, agree with ya there, uh, I think, uh, thats, uh, pretty extreme measures, too, uh, but we can't, uh, can't go on with this, the fishermen have already lost this battle, uh, they've done more damage to their image in the last 48 hours than they're gonna recover from in the next ten years, OK.

Fisherman #1: Get the Governor to close this whole fishery down before somebodys killed and he's got blood on his hands. This is gettin' out of hand damn quick--

(garble)

Fisherman #2: Sal-Sea Belle over here--close right down on her, Mable B; And I think right now is the time to close the river 'cuz there ain't no one up the river, with fish on board and if we close her right now, we're cool.

BREAK

Fisherman #1: Bunch of us standing around here doing nothing, well the main thing is get on up that, inside the river and block the fucking main entrance.

Fisherman #2: Sal-Sea Belle, did you make it to the docks?

Fisherman #3: ...where is this dock? Is this dock alongside this barge?

Fisherman #2: Roger, the dock alongside the barge.

Fisherman #4: OK, coming now, we're going to put it off the...now.

Fisherman #5: OK, block that barge off and block that dock off. That's what they use for their helicopter launching pad. Just block the dock and block that barge. Don't let them even get close to it.

Fisherman #5: He's way up the other side of the...from Peter Pan.

Fisherman #6: More boats down here.

BREAK

Fisherman #1: beatin' our brains...against the wind... We gotta go out and stop the guys from fishin'. Why stop a 180 foot tender when you can go stop a 32 ft gill netter. Lets use our brains. We've got 50 thousand boats. We patrol the area, that's all we gotta do, is stop ten stinkin' boats from fishin'. We don't stop no 180 ft boat, he'll knock us down like a bowling ball.

Fisherman #2: Not with motars, he won't.

Fisherman #3: heh, heh, heh, bet your ass.

Fisherman #4: Well, we should get together and hold a meeting and decide what we're gonna do -- we'll block the river, stop the guys outside or what are we gonna do, Let's hold a meeting and

Fisherman #5: that's what yesterday's meeting was for...

Fisherman #4: but nobody wants to listen. They've been there all day, Leo. They're seventy strong right at the dock. Listen, lets stop arguing, lets go to the mouth of the river and we'll all tie up and we'll get together and make the plans.

interupt: we're going to be right here...

Fisherman #4: talk about what to do -- get to the mouth of the river and lets organize...like human beings...and we'll stop this thing. Stop cussing at Alaska packers and stop cussing at everybody else. Let's do this like...and we'll finish this thing. We'll all go to the mouth of the river and we'll have a big party like Jimmy says.

BREAK

Fisherman #1: Yeah, we need more boats.

Fisherman #2: Yeah, these guys from Red Salmon can go up there. Hey, why don't you guys around the Red Salmon area go up in the dock...that boat, isn't at the dock yet.

Fisherman #3: Ain't gonna be able to get in...

Fisherman #4: Listen, Dominic, do you know how many boats are gettin' bumped right now. Do you know how many boats are gettin' bumped?

Fisherman #5: No, I mean, if you got a fucking tender, or any dock or any barge at this present time.

Fisherman #6: He's about 25 feet away and he's bumping our boats! We need more boats! Uh, Dom, we need more boats!

Fisherman...garbled

Fisherman #7: God damn it, lets go, lets get outta here, lets go, we need more boats. Whats the matter with you guys.

BREAK

Fisherman #1: I believe the, uh, skipper of that...an emergency meeting of the Alaska Dept of Fish and Game. Fishermen could be called together, uh, within the... probably and that they could issue an executive order, the fishery would be closed for everyone, until this powder keg is taken care of.

BREAK

Lockman: Yeah, I really don't know whether they can do that or not, but that's what I'm gonna recommend.

Break

Lockman: Just that little group thats all wound up. They pretty well got 88 all to themselves there, this morning, uh. We'll be standing by on 16, OK.

Fisherman #1: Thats a mistake -- when you only say 5%, this whole industry is uptight and you're sitting on a power keg over there. Don't ... don't conceive that idea that there's only 5% thats running this. This whole industry is uptight. Don't forget that.

Lockman: Well, what is your suggestion, OK.

Fisherman #1: Just what the man said, call the Governor and close this thing down in the interest of life, liberty and the industry

interrupt: pursuit of happiness

Fisherman #1: this is gone on. Please stand by your CB radio.

Fisherman #2: We're here to make a living, not please somebody. --- Bear stand by now. The canneries and boats alone deserve the Governor's attention. And our livelihood and our families deserve his consideration also. This is a lifetime industry for many of us. We'd like to see it protected lawfully, legally and we'd like to fish it the same way. And these renegades, when they're fucking the whole industry, its gonna just create a bundle of tension. Somebody or something is gonna burn up or somebody's gonna get killed.

Fisherman #2, continued: That's gotta happen. I've seen guns pulled on this river before. And believe me, its no fun. So I hope that you will convince that Governor that the best thing for the industry is to close it down, until its settled. One way or another. We'll go home or they'll take the fish, one way or the other. That's a convention of the whole damned industry out here on this river, sir. Well, I thank you for listening and I hope that, uh, some consideration can be given to this under the light of calmness and good sense, because we do get a little wild out here at times. We're individuals. We're not regimented lunch buckets out here, and we're gonna protect this industry. Ah, rest assured,

Break

Fisherman #1: Rita Marie is watching a tender and callin' Casey...  
Going down river;  
Watch her, watch her, watch her.  
She's goin' down; headin right towards you, Dom.

Fisherman #2: See there, the Governor said he wouldn't do anything until he did see bloodshed.

Fisherman #3: Well, lets go get the guys that are catching them, that's right.

Fisherman #4: Somebody come up with a good idea.

Fisherman #5: The best idea is to go out and stop the fisherman.  
And you're not gonna get any...  
...stop the fisherman...

Fisherman #6 They're on the grounds at night, when its dark.

BREAK

Lockman: I agree with ya, its, ah, its sure got outta hand tonight. But, uh, ya know, we're doing what we can. We're a little outnumbered, OK.

I know, uh, what we're trying to do is, ah, stay in a neutral position here. We're trying to not, ah, actively support either faction, ah--our whole role here is to protect life and property. And we're bound by the law, which sometimes, uh, doesn't let us do it in the most effecient way, if that makes sense to you, OK.

Fisherman #1: Well, ya know, I heard there was a couple of shots last night...its not what I call protecting life and property...scow...nobody gets hurt.

Lockman: Ya know pardner, I ya know, I uh, I don't want to disagree with you. I don't have the authority to do that, you know. I can tell boats not to shoot at em, too, but it doesn't do a lot of good. I have three troopers on Sal-Sea Belle still, you know, they're not, their function is to prevent anymore shooting, uh, there's really no

Lockman, continued: way they can do that, until somebody shoots.  
I'm just hoping it doesn't get to that, OK.

BREAK

Lockman: It's a tough situation, but, uh, I can't do 'er all at once here, uh, ya know, I'd just be satisfied if, huh, if we don't have a more serious problem right here. Well, we're getting...they want us in the Nusigak, they want us in Egegik and they want us here and they want us outside in the anchorage...its just that time of year for us, I guess, OK.