

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

559 SCOMM17: JOINT INTERIM COMM. ON LIMITED ENTRY 1979

THE POWER TO REDUCE THE NUMBER
OF PERMITS DOES NOT EXIST

The statutory scheme to reduce the maximum number to the optimum in fact is worthless. First, the Commission by statute cannot force a permit holder to sell his permit back to the State.¹⁴ Second the buy-back program is to be funded by an annual assessment of not to exceed seven percent (7%) on the permit holders' annual gross receipts of his respective harvest. This has never been implemented by the Commission and so the Commission has no money to buy anything. Third, it is doubtful that on a voluntary basis if a permit holder wanted to peddle his permit that given equal offers by the State and by a private individual that he would sell to the State in preference to the private person. Fishermen simply are not constructed that way.

My conclusion is, therefore, that conservation is not subserved by the permit system.

THE SYSTEM PROMOTES MORE ECONOMIC
DISTRESS THAN IT CURES

Now turning our attention to the relief of economic distress, the second reason that the people gave for limiting entry, let us examine how one can qualify for a permit.

By regulation, the Commission has determined that if one as a gear licensee had landings during each of three weeks in Bristol Bay, that is a sufficient number of weeks to qualify for the highest maximum number of points for past

14. AS 16.43.300-320.

participation in the fishery.¹⁵

I cannot believe that there is a rational relationship between relieving economic distress by less than one month's effort plus eleven months of indolence as fulfilling the 1972 Amendment to Article VIII, §15. It matters not, under the Commission's regulations, whether the eleven months are filled with other employment. Thus, it is possible for a permit holder to simply take his vacation during the height of the Bristol Bay season to harvest salmon. My speculation is not an absurd one as witness the recent public blast at Bill McConkey at Nelson Lagoon.¹⁶ I cannot believe that the people wanted to relieve that kind of economic distress.

Perhaps the Commission could truly relieve economic distress by giving demerits for those otherwise gainfully employed in order to give those unemployed for eleven months a greater priority. But, sociologically speaking, that would penalize the industrious one and reward the lazy one.

Wherever there is a crewman, to make this economic distress argument the worse, his economic distress is promoted by the permit system. In purse seining, for example, the skipper requires that the permit be given a share of the gross earnings of the vessel. This in turn reduces a crewman's share in such gross. I call that promotion of economic distress. The same would be true in Bristol Bay

15. 20 AAC 05.630(c)(1).

16. Alaska Advocate, March 1-7, 1979, pg. 3.

where one chooses to have a two-man boat.

The harbinger of what is happening to the ownership of permits is best exemplified by Angoon. I am informed that today there are no purse seine permits at Angoon, the residents there having sold the same. I believe that such is happening to a lesser but steady extent throughout the State. Instances have been reported to me that as a permit holder grows old he has sold the same to pay for his old age sustenance though he may have sons who were reared on his fishboat. Likewise, it is inevitable that during the winter season, particularly after half a dozen drinks, that permits will be sold. This promotes economic distress and will swell our welfare rolls.

THE PROCESSORS ARE BEGINNING TO DOMINATE THE PERMITS

Then I have a curiosity about the dominance of the multi-national corporations of the permit holders. Already the multi-national corporations catch sixty to seventy percent of the immature salmon beyond the 200 mile limit in the Gulf of Alaska.¹⁷ Such corporations are now moving to the in-shore fisheries by the loaning of money to persons who in turn purchase permits. It simply makes sense to me that if the processing industry finances a fisherman in buying a permit, that such a person is married to such processor.

This set of facts is hard to pin down, because the

17. Alaska Advocate, December 7-13, 1978, pg. 8.

Commission does not require transfer details in its approval process of a transfer of a permit.¹⁸ Certainly the Commission has authority to require a disclosure of anything and everything it wants to before it will approve the transfer of the permit.

There has to be a reason why the Commission has not required such a disclosure. An obvious speculation is that the Commission is dominated by the multi-national corporations and the latter do not want such domination documented.

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18. Chairman Allan Adasiak stated in his formal address on July 17-19, 1978, at Denver before the National Conference to Consider Limited Entry as a Tool in Fisheries Management that:

"An Entry Commission survey indicates that some type of financing occurs in 50% to 90% of all permit transfers, depending on the fishery. Allowing for variations by fishery, sources in order of frequency generally are: the transferor, banks, processors, state loans, and credit union. In the case of banks, state loans and credit unions, other collateral is almost always required."

I believe the following statement by Chairman Adasiak again at Denver is nonsense, because the more owed to a processor the more the processor dominates. Here is Adasiak's statement:

"The decision to issue permits to individual fishermen was made primarily because people believed that it would strengthen the individual fisherman's bargaining position vis-a-vis fish buyers and processors."

I fail to see the connection between limiting entry into fisheries and the promotion of economic well-being in the larger sense as practiced.

Sponsors of Limited Entry have defended the system by suggesting a correlation between the development of a stable fishermen corps and their desire to promote conservation in the fisheries. It is said, thus, that permittees would not want to fish illegally because in the long run that would indirectly hurt them in the succeeding years.

To the contrary, when a fisherman borrows perhaps several hundred thousand dollars from a processor or from anyone, for that matter, he will have to make payments. This in turn will put economic pressure on him to catch enough salmon to make such payments no matter how he catches such salmon, legally or illegally. The history of the harvesting of salmon throughout the world is that today we are going to catch as many as we physically can and let tomorrow take the hindmost. Again, I fail to see how the system will promote the relief of economic distress and conservation.

It is true, however, that the permit holders have had their economic distress relieved, some 10,000 persons. But in the broader sense, I predict that the burdens on the taxpayers of Alaska will immeasurably increase because of the need for a greater welfare appropriation.

THE SYSTEM DENIES AN EQUAL OPPORTUNITY TO SEVERAL
HUNDRED THOUSAND PEOPLE OF ALASKA IN FAVOR OF 10,000

The framers of the Alaska Constitution put many curbs on the actions of the State government. For example, it broadened the Equal Protection Clause of the Fourteenth Amendment to the Federal Constitution. The latter provides in part:

"nor shall any State * * *
deny to any person within its
jurisdiction the equal protec-
tion of the laws."

Under that, the three-judges in the Reetz case held:

"As we interpret the licensing scheme, it violates the equal protection clause of the Fourteenth Amendment of the Constitution of the United States. The only persons that can presently qualify for net-gear licenses are those already vested with the local privilege."

To be sure that case was reversed by the United States Supreme Court, not on the main issue, but requiring Bozanich to apply to the State courts of Alaska for interpretation of State law. Nevertheless, that is what Judges Ely, Plummer and von der Heydt ruled and while not binding, such ruling must be considered persuasive. Indeed, is there any doubt as to their ruling should the question be properly presented to them.

But the Alaska State Constitution has a broader Equal Protection Clause than does the Federal Constitution.

Notice what Article I, §1 in part says about equal protection, as follows:

"that all persons are equal and entitled to equal rights, opportunities, and protection under the law;"

It is plain to see that the entire permit system is the denial of an opportunity to several hundred thousand residents of Alaska, a stricter requirement than that embodied in the Fourteenth Amendment. As noted earlier, this section was untouched by the 1972 Amendment to Article VIII, §15.

Since the Federal Equal Protection Clause is tougher for one to qualify for its protection than Alaska's let us take a look at what even the Federal provision would prohibit.

Special interest groups throughout the United States have for decades tried to protect themselves from competition, particularly various occupations. Certified public accountants in Florida were less ambitious and covetous than the Alaskan fishermen. The CPA's wanted to prohibit anyone to qualify for a CPA license by requiring that he must first be a resident for two years; the Limited Entry System bars one forever.

Florida enacted the CPA's two-year rule and on a challenge, here are some comments by a legal commentator and quotes from the decision:¹⁹

19. 59 Va. L.R. 1097, 1117 (1973).

"State courts have found anti-competitive motives both in provisions which seek to limit entry into an occupation and those which seek to regulate activities among already licensed practitioners. The following quote represents the rationale used in these cases to strike down the rule in question:

'The regulation of the profession of accounting is an exercise of the police power, for the benefit and protection of the public and is not intended as economic protection for the profession from prospective competitors. Little, if any, reason can be found for requiring a certified public accountant of another state to cease his profession, close his office, and bask in the Florida sunshine for a period of two years before taking the examination [for certification].'"²⁰

And the commentator goes on to say:

"An advocate of judicial restraint in all circumstances could argue that drawing a distinction between 'anti-competitive' and 'quality control' regulations is inappropriate. He would point out that competition needs to be controlled in many circumstances to avoid forcing practitioners into cut-throat practices which could be

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20. Mercer v. Hemmings, 194 So.2d 579, 583 (Fla. 1966). Appeal dismissed 389 U.S. 46, reh. denied 389 U.S. 999 (1967). Other cases similar are: Ohio Motor Vehicle Dealer's & Salesmen's Licensing Board v. Memphis Auto Sales, 103 Ohio App. 347, 142 N.E.2d 268 (1957) (holding unconstitutional a provision which limited auto dealerships to those enfranchised by a manufacturer); Gholson v. Engle 9 Ill.2d 454, 138 N.E.2d 508 (1956) (holding unconstitutional that part of a statute requiring funeral directors to be licensed embalmers).

harmful to the public. The short answer to this contention is that the potential danger is speculative, and that practices which actually turn out to be harmful can be dealt with as they arise."

Here is the parallel reasoning between the CPA's and the permit holders: The CPA's required a two-year residency period before qualifying one merely to take an examination. The court struck it down as anti-competitive and monopolistic. Alaska bars all non-permit holders from ever being a commercial fisherman. Additionally it is so anti-competitive that one commits a crime to fish without a permit. Witness Hank Ostrosky.

This leads us to describe the time-honored, legitimate, and non-challengeable methods society utilizes to effect conservation: Here is what any sovereign may do:

- a. It may limit the size of gear;
- b. It may limit the size of vessels;
- c. It may limit the area to be fished;
- d. It may limit the time-periods of fishing;
- e. It may impose maximum quotas.

And there is not a single thing a citizen can do within those spheres of power (absent fraud). God bless a sovereign who has the guts to use such powers. For my part, these awesome controls are enough.²¹

DATED this 12th day of March, 1979.

Respectfully submitted,


FREDERICK PAUL

21. I have not discussed the only case reaching the Alaska Supreme Court on Limited Entry, Isakson v. Rickey, 550 P.2d 359 (1976), because those applicants for a permit did not attack the system, only the internal mechanism. It is, therefore, not relevant to our problem.

- (12) Upper Yukon (P)
gillnet fishery
fishwheel fishery

- (13) Norton Sound (Z)
gillnet fishery

*In area H and area M, the purse seine fishery includes the beach seine fishery.

Herring Fisheries

- (1) Specific Southeastern Alaska (A)
purse seine fishery

- (2) Specific Prince William Sound (E)
purse seine fishery

- (3) Cook Inlet (H)
purse seine fishery

(b) As used in this article, "power troll" means the taking of a salmon fishery resource with troll lines operated by nonmanual gurdys. (Eff. 12/18/74, Reg. 52; am 4/9/76, Reg. 58; am 2/25/77, Reg. 61; am 1/21/78, Reg. 65)

Authority: AS 16.43.100

AS 16.43.110(a)

AS 16.43.240(b)

20 AAC 05.320. MAXIMUM NUMBER OF ENTRY PERMITS. The maximum number of entry permits for each of the fisheries designated under secs. 300 and 310 of this chapter is established as follows:

	Maximum Number of Entry Permits
Salmon Fisheries	
(1) Southeastern Alaska (A)	
purse seine fishery	395
drift gillnet fishery	453
(2) Yakutat (D)	
set gillnet fishery	150
(3) Prince William Sound (E)	
purse seine fishery	238
drift gillnet fishery	511
set gillnet fishery	32
(4) Cook Inlet (H)	
purse seine fishery	68
drift gillnet fishery	545
set gillnet fishery	686

Salmon Fisheries

- (5) Kodiak (K)
- | | |
|---------------------|-----|
| purse seine fishery | 355 |
| beach seine fishery | 31 |
| set gillnet fishery | 183 |

- (6) Chignik (L)
- | | |
|---------------------|----|
| purse seine fishery | 80 |
|---------------------|----|

- (7) Alaska Peninsula-Aleutian Islands (M)
- | | |
|-----------------------|-----|
| purse seine fishery | 111 |
| drift gillnet fishery | 155 |
| set gillnet fishery | 77 |

- (8) Bristol Bay (T)
- | | |
|-----------------------|------|
| drift gillnet fishery | 1669 |
| set gillnet fishery | 803 |

- (9) Statewide (B)
- | | |
|---------------------|-----|
| power troll fishery | 895 |
|---------------------|-----|

- (10) Kuskokwim (W)
- | | |
|-----------------|-----|
| gillnet fishery | 810 |
|-----------------|-----|

- (11) Kotzebue (X)
- | | |
|-----------------|-----|
| gillnet fishery | 214 |
|-----------------|-----|

- (12) Lower Yukon (Y)
- | | |
|-----------------|-----|
| gillnet fishery | 627 |
|-----------------|-----|

- (13) Upper Yukon (P)
- | | |
|-------------------|-----|
| gillnet fishery | 99 |
| fishwheel fishery | 126 |

- (14) Norton Sound (Z)
- | | |
|-----------------|-----|
| gillnet fishery | 195 |
|-----------------|-----|

- Herring Fisheries**
- | | |
|--------------------------------------|---------------------------------------|
| (1) Specific Southeastern Alaska (A) | Maximum
Number of
Entry Permits |
| purse seine fishery | 35 |

- (2) Specific Prince William Sound (E)
- | | |
|---------------------|----|
| purse seine fishery | 55 |
|---------------------|----|

- (3) Cook Inlet (H)
- | | |
|---------------------|----|
| purse seine fishery | 68 |
|---------------------|----|

(Eff. 12/18/74, Reg. 52; am 4/7/75, Reg. 54; am 5/12/75, Reg. 54; am 4/9/76, Reg. 58; am 2/25/77, Reg. 61; am 1/21/78, Reg. 65)

Authority: AS 16.43.110(a)

AS 16.43.240(a)

Quarterly Permit Price Information -- 1978 Only

1st Quarter (Jan. Feb. Mar.)
2nd Quarter (Apr. May Jun.)

3rd Quarter (Jul. Aug. Sep.)
4th Quarter (Oct. Nov. Dec.)

The appraised value of entry permits is calculated on a quarterly basis. The sale prices for each quarter are obtained from the Commercial Fisheries Entry Commission's transfer survey. These prices are then averaged. No appraised value will be changed before the end of that quarter, and no source other than the Commission's confidential survey can be accepted for permit prices. If insufficient data are received, any new data will be averaged with previous quarter.

Fishery	Quarter No.	High Price	Low Price	Average Price Appraised Value
SEINE:				
Southeastern	1	35,000	20,000	25,833
	2	50,000	19,000	33,000
	3	insufficient data		34,000
	4	insufficient data		40,000
Prince William Sound	1	23,500	20,000	20,875
	2	30,000	25,000	27,488
	3	insufficient data		26,658
	4	insufficient data		26,990
Cook Inlet	1	insufficient data		
	2	40,000	15,000	31,667
	3	insufficient data		35,000
	4	insufficient data		52,500
Kodiak	1	40,000	20,000	35,000
	2	insufficient data		40,000
	3	insufficient data		60,000
	4	insufficient data		57,125
Chignik		No applicable information - call 586-3456		
Alaska Peninsula		No applicable information		
Kodiak Beach	1	No applicable information		
	2	No applicable information		
	3	No applicable information		
	4	29,250		

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Quarterly Permit Price Information

2.

Fishery	Quarter No.	High Price	Low Price	Average Price Appraised Value
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DRIFT GILL NET:

Southeastern	1	42,500	10,000	32,375
	2	40,000	22,000	33,929
	3	insufficient data		35,313
	4	insufficient data		39,875

Prince William Sound	1	40,000	10,000	24,346
	2	30,000	18,000	23,833
	3	42,000	40,000	41,000
	4	insufficient data		36,250

Cook Inlet	1	42,500	25,000	30,000
	2	47,000	15,000	35,300
	3	insufficient data		37,545
	4	insufficient data		65,000

Alaska Peninsula	No applicable information			
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Bristol Bay	1	30,000	5,000	13,941
	2	50,000	12,000	22,000
	3	30,000	20,000	30,000
	4	insufficient data		41,800

SET GILL NET:

Yakutat-All Quarters Combined		15,000	5,400	10,480
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Prince William Sound	No applicable information			
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Cook Inlet	1	15,000	2,000	7,636
	2	12,000	2,500	8,625
	3	15,000	2,000	8,730
	4	insufficient data		14,571

Kodiak-All Quarters Combined		25,000	10,000	24,667
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Bristol Bay	1	5,000	2,000	3,925
	2	13,000	1,500	5,893
	3	10,000	6,500	7,833
	4	insufficient data		16,429

For All A-Y-K Fisheries call 586-3456

Power Troll	1	16,000	8,500	12,341
	2	25,000	5,000	15,652
	3	25,000	18,000	20,250
	4	insufficient data		23,450

<u>AREA</u>	<u>FISHERY</u>	<u>MAXIMUM NUMBER OF ENTRY PERMITS</u>	<u>UNIT APPRAISED VALUE</u>	<u>TOTAL</u>
Southeast	Purse	395	\$40,000	\$15,800,000
Southeast	Drift gill net	453	39,875	18,063,375
Yakutat	Set gill net	150	10,480	1,572,000
Pr. Wm. Sound	Purse	238	26,990	6,423,620
Pr. Wm. Sound	Drift gill net	511	36,250	18,523,750
Pr. Wm. Sound	Set gill net	32	no info.	
Cook Inlet	Purse	68	52,500	3,570,000
Cook Inlet	Drift gill net	545	65,000	35,425,000
Cook Inlet	Set gill net	686	14,571	9,995,706
Kodiak	Purse	355	57,125	20,279,375
Kodiak	Beach seine	31	29,250	906,750
Kodiak	Set gill net	183	24,667	4,514,061
Chignik	Purse	80	no info.	
Alaska Peninsula				
- Aleution Is.	Purse	111	no info.	
Aleution Is.	Drift gill net	155	no info.	
Aleution Is.	Set gill net	77	no info.	
Bristol Bay	Drift gill net	1,669	41,800	69,784,200
Bristol Bay	Set gill net	803	16,429	13,192,487
Statewide	Power troll	895	23,450	20,987,750
Kuskokwin	Gill	810	no info.	
Kotzebue	Gill	214	no info.	
Lower Yukon	Gill	627	no info.	
Upper Yukon	Gill	99	no info.	
Upper Yukon	Fishwheel	126	no info.	
Norton Sound	Gill	195	no info.	
TOTAL			\$239,033,000	
TOTAL OF PERMITS ACTUALLY APPRAISED		6,982		
TOTAL OF PERMITS NOT APPRAISED		2,526		
<u>239,033,000</u>				
6982	=	34,240		
34,240 x 2,526	=	86,490,000		
add		<u>239,033,000</u>		
GRAND TOTAL			<u>\$325,523,000</u>	

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F/V Sharon Jean — complete w/Cook Inlet Pursa Seine Sack Row Herring Permit.

Built in '75, she's a documented, 33' Delta fiberglass comb, 18 gross, ton seiner, gillnetter & crabber. Complete w/circulating life tanks, blower, Marco crab block, seine power block, gill-net/halibut reel & pots. Powered by economical 200 HP Volvo diesel, she's equipped w/radar, paper recorder, flashers, 2 CBs, VHF & SSB radios, auto pilot, leak finished cabin w/head & many other extras. \$169,650 firm. Complete pkg. only. Call 907-235-8698.

**COOK INLET
DRIFT PERMIT
\$60,000**

235-8005

Cook Inlet Drift Permit wanted, will pay \$45,000. 333-0845.

Want to fish salmon! Just completing 28' Hamm Hull — 255 I.O. Large fish hold. Will fish with permit owner only. X %. Must be organized. Early or late. Soan, Dave 279-3348.

Bristol Bay drift permit. Best offer over \$50,000. 452-4702, P.O. Box 2499, Fairbanks, 99797.

Wanted: Experienced Cook Inlet fisherman, with app. 32ft., Gillnetter. I have drift permit. Partnership desired. Contact S.D. Ward, Star Rte. No.3, Kenai, Ak., 99611.

Have two current Limited Entry Permit holders for Bristol Bay needing experienced partners with boats. Phone (907) 571-1251.

One Limited Entry Permit. Prince William Sound, Price - \$30,000 CASH Box 177, Cordova, Alaska 99574

Seine Permit Southeastern - \$30,000 Cash, Box 45, Hydaburg, Alaska 99922.

Wanted: Experienced Prince William Sound fisherman with good boat. Have drift permit, need partner. Contact Bill Lindow, 6127 Blackberry, Anch., Alaska 99502. Phone 243-4461.

MARK II. \$175,000, 50' X 15' CORE-TEN STEEL troller, finance arranged, twin.. Alaska and Wash. permits included. Port Angeles, WA 98362, phone 206 683-4126 -20A. -8

ILLNESS FORCES SALE; PACKAGE SALE, EVERYTHING goes. 32' Wood Gillnetter, 125 hp Cummins Diesel engine, keel cooled, CB, AM, 55 ch. VHF, new fathometer and hyd., 3 nets (sockeye, king, fall), and misc. Puget Sound license. Asking \$25,000 cash. 206/755-0993 after 6 p.m. -10

THE AD ON THE RIGHT, CORPORATION FISHERMEN HOLDING LICENSES AND SEEKING EXPERIENCED BRISTOL BAY FISHERMEN WITH BOATS. THE AD IS SELF-EXPLANATORY.

THE AD ON THE LEFT INDICATES A HERRING LICENSE AS CONDITION OF SALE, WHERE THE TRUE HERRING LICENSE VALUE COULD BE \$50,000.

F/V Sharon Jean — complete w/Cook Inlet Permit
Seine Sack Row Herring Permit.
Boat is 75' she is documented.
3rd Delta license comp. 13
gross ton seine, Gillnetter &
crabber. Complete w/circular
filing file tanks, later, Marco
kitchen block, setry power block,
oil net haulout reel & belt.
Powered by ex-military 200 hp
Mitsubishi diesel, she's equipped
with radar, water recorder, fish
ers 2 Cox VHF & 500 radio.
Good paint, tank finished, extra
wireless & many other extras.
\$175,000 firm. Complete. 242.
Call 407-215-6273

COOK INLET
DRIFT PERMIT
\$50,000

215 8005
Cook Inlet Drift Permit wanted.
will pay \$45,000 - \$50,000.

Have two current Limited Entry Per-
mit holders for Bristol Bay needing
experienced partners with boats.
Phone (907) 571-1251.

One Limited Entry Permit - Prince
William Sound, Price: \$30,000 CASH
Box 177, Cordova, Alaska 99574

Seine Permit Southeastern - \$30,000
Cash, Box 45, Hyak, Alaska 99922.

Wanted: Experienced Prince William
Sound fisherman with good boat. Have
drift permit, need partner. Contact
Bill Lindow, 6127 Blackberry, Anch.,
Alaska 99502, Phone 243-4461.

MARK II. \$175,000. 50' X 15' CORE-TEN STEEL
hull, finance arranged. 14th, Alaska and Wash
permits included. Fort Angeles, WA 98362, phone
206-683-4126-70A.

BUSINESS FORCES SALE; PACKAGE SALE, EVERY-
thing goes 32' Wood Gillnetter, 125 hp Cummins
1-1/2" engine, keel crabs, CH, AM, 55 cu. VHF,
new fishometer and hyd., 3 nets (sockeye, king,
halibut), and misc. Puget Sound license. Asking
\$25,000 cash. 206/715-0202 after 6 p.m.

Want to fish salmon just com-
pleting 2d season. Boat — 255
LO. Large fish hold. Will fish
with permit only. Call X 2.
Must be organized. Early or
late. 5000. Give 214-2122.

Wanted: Bay drift permit. Boat
for over 150,000. 424/424. P.O.
Box 2279, Fairbanks, 99701.

Wanted: Experienced Cook
Inlet fisherman with up to 500
Gillnetter. I have drift permit.
Partnership desired. Contact
500. Ward, Star. Hie. 1423.
E-mail, AK, 99511

WHERE CAN ANY RESIDENT OF THE BRISTOL BAY AREA OBTAIN \$50,000 FOR A DRIFT PERMIT? THE AD ON THE LOWER RIGHT WOULD GIVE AN ALASKAN PRICE VERSUS THE STATE OF WASHINGTON PRICE FOR AN EFFICIENT DRIFT GILLNETTER, ALONG WITH A WASHINGTON LICENSE.

THE \$175,000 AD WHEN INVENTORIED WOULD PROBABLY SHOW A TRUE ALASKA TROLL LICENSE VALUE OF \$40,000 AND THE WASHINGTON LICENSE VALUE OF \$4,000.

AVE 42' DELTA — WANT KODIAK SEINE PER-
mit. To buy or lease 714-646-3161 Or write:
1965 Justin Ave., Costa Mesa, CA 92627 6

OR SALE OR LEASE: PRINCE WILLIAM SOUND
Seine Permit. Terms. Call Davidson's Marina
enmore. 206-486-7141

PWS DRIFT GILLNET PERMIT SKIFF AND 4
String gear. Spare parts and misc. gear. \$35,000.
Messageph. 206-458-5286

Need experienced skipper with
boat to fish Prince William
Sound purse seine permit with
me. 913-268-9333.

\$80,000. The boat Junior, seine
skiff, power block, lead, two 70-horse
Johnson kickers and other miscellan-
eous relative equipment plus one
Prince William Sound Seine Permit.
Contact F.E. Reeves, Box 594, Post
Falls, Id. 83854 phone
208-773-5648 or St. Elias, Box 58,
Cordova, 424-7621.

FOR SALE—PWS gillnet permit
with 4 nets. \$60,000 firm.
424-7310.

Demetra M II 38' fiber glass,
38' x 13 1/2' x 4 1/2', V6 Cummins
diesel 215 HP completely
overhauled last year. Prince
Williams Sound Seine permit.
Power skiff 180 HP Crusader gas
engine. Power block and fully
equipped ready to fish. 3 radios
VHF, 40 channel CB and Cassette
2 fathometers 36 mi. range
Furuno radar, anchor winch. For
information and pictures call
Chris Morris (206) 932-2044 Seat-
le, Wa. Price \$155,000.

Kodiak Island limited entry set
net permit for sale, \$30,000. Call
503-344-2620; Eugene, Oregon.

WANTED—Experienced SKIPPER,
BOAT and GEAR to fish with my
Prince William Sound salmon seine
permit. George Meeker, 1401 Hack-
berry, Garden City, Ka. 67846.
Phone (316) 273-7174.

KODIAK ABOVE SET NET LICENSES INCREASED
TO \$30,000 TO \$40,000 IN A PERIOD OF
ONE YEAR. AGAIN YOU WILL NOTE THE WORD
"LEASE", WHICH IS ILLEGAL AND IS PREVAL-
ENT IN ALL PARTS OF ALASKA. LATER CASES
OF CORPORATION FISHERMEN WHERE THE EXPER-
IENCED FISHERMEN MUST PROVIDE THE
LICENSE HOLDER WITH TRAINING TO TAKE HIS
JOB, ALONG WITH HAVING TO PROVIDE THE
BOAT AND GEAR.

THIS IS ANOTHER CASE WHERE THE BOAT IS
← A CONDITION OF SALE AND THE TRUE LICENSE
VALUE CAN RUN BETWEEN \$50-\$60,000.

FOREIGN NETS VALUE IS ABOUT \$2,000 IF
THEY ARE IN GOOD CONDITION, THUS LEAVING
\$58,000 FOR THE TRUE LICENSE VALUE.

TRUE LICENSE VALUE OF SIX YEAR OLD BOAT
AND ESTIMATED INVENTORY OF EQUIPMENT
COULD PUT LICENSE VALUE AT \$50,000.

Miscellaneous
ALASKA FISHERMEN: DO YOU FEEL IT IS LEGAL
for private industry to have the power of taxation
over other private citizens and businessmen? The
Alaska Constitution says no. We are filing suit
against the mandatory assessment provision of the
private regional hatchery corporation law. We
intend to support only legitimate salmon rehabili-
tation efforts, and need your support. Send check
or pledge to Wayne Alex. Fishery & Hatchery
Defense Fund, Box 95, Juneau, AK 99802. 5/4

SEINE OUTFIT

Including 34' boat, 15' power skiff, seine, lead, and entry permit, \$70,000.

Contact: A.W. HALL

Box 458

Cordova, Alaska 99574

Phone: 907/424-7436

FALL, 1977. THIS IS A TYPICAL CASE WHERE THE BOAT IS TIED AS A CONDITION OF SALE--OLDER ADVERTISEMENT. LICENSE SEPARATE WAS \$25,000. THROUGH THIS METHOD YOU CAN INCREASE LICENSE VALUE BY \$20-\$25,000.

FOR SALE. PWS SEINE & GILLNET PERMITS, with seine, lead, 2 nets, skiff w/reel power block and brailer. \$60,000. Call 747-8997. Write Box 334, Sitka, AK 99835. -21

AUGUST, 1977. PACKAGE DEAL WHICH WILL LEAD TO TWO BOATS FISHING IN PLACE OF ONE.

Prince William Sound Seine permit for sale

Write, 283 Muldoon, Box 212, Anchorage, Alaska, 99504

SEPT. 1977

THIS PARTY ON THIS ONE SAID HE WAS SELLING ME HIS LIVELIHOOD WHICH COST HIM NOTHING FOR \$30,000.

FOR SALE PRINCE WILLIAMS SOUND DRIFT PERMIT \$25,000 or best offer. 206/532-2758. -22

SUMMER, 1977 PRICE \$40,000 (1978).

FOR SALE: SEINE PERMIT FOR PRINCE WILLIAM Sound \$30,000. Write: Dorothy Phillips, Menoken, N. Dakota 58553 or call: 701/673-3345. 23

SUMMER, 1977 SALE OF LICENSE BUT NO BOAT.

BOAT TOMMY BOY FOR SALE — 35-foot seiner and gillnetter. 6-354 Perkins diesel, fiberglass over planked hull. AM radio, VHF radio, CB radio, seine and lead. Ross 100 fathometer, Freeman auto pilot, new Delta seine skiff with reel, complete with Prince William Sound seine permit. All for \$75,000. Elroy Svenson, Rt. 1, Box 199, Cathlamet, Wa. 98612.

FALL, 1977. OLDER BOAT, FIBERGLASS OVER PLANK, WHERE TRUE LICENSE VALUE CAN EXCEED \$50-\$60,000.

FOR SALE: KODIAK SET NET PERMIT. HIGHEST cash offer. 4777 N. Vanderbilt, Portland, OR 97203. 21

AUCTION PROCESS WHERE THE HIGHEST BIDDER WINS. USUALLY THE OUTSIDE FOREIGN FINANCED SYSTEMS WIN THE CONTEST.

KODIAK SEINE PERMIT FOR SALE. MAKE OFFER over \$32,500. Write Box 47, The Fishermen's News, Fishermen's Terminal, Seattle, WA 98115.

SEPTEMBER, 1977. BY DECEMBER, 1977 - \$40,000.

Permits

PERMIT WANTED: WILL MAKE YOU AN OFFER

you can't refuse for your Bristol Bay operation. Box number 28, The Fishermen's News, Bldg. C-3, Fishermen's Terminal, Seattle, WA 98119. -*23

WANT TO BUY BRISTOL BAY DRIFT NET PERMIT. \$15,000 CASH. CALL 276-8447.

SPRING 1977

THIS IS AN EXAMPLE OF WHERE THE FINANCE IS AVAILABLE TO THE FOREIGN-OWNED PROCESSOR ACCOUNTS IN THE SEATTLE BANKING SYSTEM.

OLDER AD--NOW THESE ARE \$42,000 ON MARCH 1, 1978.

Bristol Bay Drift Entry Permit. \$20,000 firm. 279-6740.

SUMMER 1977

SAME AS ABOVE.

Wanted Bristol Bay drift permit. Will pay \$10,000 cash. Box 122, Togiak, AK. 99678.

DECEMBER 1977

A NATIVE LOCATED 100 AIR MILES FROM NAKNEK IN A COASTAL VILLAGE ON BRISTOL BAY, WHEN THE LICENSE PRICE IS \$35,000.

Bristol Bay drift permit, ready for transfer, \$25,000. Send replies to Key Box 12-21, Anch. Times, Box 40, Anch. AK 99510

FALL 1977

TO INDICATE PRICE RANGE.

Have Bristol Bay Permit, seeking partner with boat, or will consider leasing. Experienced Bristol Bay Fisherman only. 279-9306.

FALL 1977

THIS WAS \$27,000 OUTRIGHT SALE OR 40% OF ANNUAL CATCH TO "CORPORATION FISHERMEN".

Bristol B. Permit, \$35,000 firm. Reply Key Box 12-15, Anch. Times, Box 40, Anch. AK 99510.

DECEMBER 1977

PRICE RAISE INDICATION MARCH 1, 1978 \$42,000.

BRISTOL BAY Drift permit, \$15,000 243-3701 after 6.

SEPTEMBER 12, 1977

PRICE RAISE INDICATOR

FOR SALE. BRISTOL BAY GILLNET ENTRY

Permit. \$33,000. Allen Nelson, P.O. Box 127, Naknek, AK 99633. 23

DECEMBER, 1977. PRICE RAISE.

Two Bristol Bay-limited entry cards, plus two set net sites for sale. \$1,200 each. Call 279-9091.

FALL 1977

MISPRINT \$12,000 EACH FOR SET NET AT EGEGIK.

Bristol Bay drift permit, \$20,000 or trade for real estate. Write Bruce Johnson, 7216 Violet Place, Anch. AK 99502.

AUGUST 1977

TRADE FOR REAL ESTATE.

B. DRIFT, g.n. permit: \$35,000 firm. Write: 155-88 Times, P.O. Box 70, Seattle 98111

JANUARY 1978

PRICE RAISE INDICATOR.

TRADE: BRISTOL BAY ENTRY PERMIT FOR SOUTHEAST Gillnet Permit. Box 412, Vashon, WA 98070. 206-463-9617.

FALL, 1977. SOUTHEAST HAD VALUE OF \$30,000 AND BRISTOL BAY HAD \$16,000 VALUATION. NOW BOTH AREAS ARE OVER \$40,000 EACH MARCH OF 1978.

B. DRIFT BAY

34 D

10,000 or best offer. Call or write: E. Altman,
71 El Capitan, Manteca, CA 95336 209 -
223-1571

Wanted: Bristol Bay permit or
arrangement. New aluminum
G.N. (206) 263-7370

Wanted: Bristol Bay permit; need
partner w/ experience & or boat.
72-7947

Wanted: drift permit. Looking for
Bristol Bay fisherman
with or without boat. 694-9888.

WE BRISTOL BAY PERMIT SEEKING PARTNER
with boat or will consider leasing permit. Exp.
Bristol Bay Fisherman only. 3351 Mt. Vernon Ct.
Anchorage, AK 99503 or call 907 - 279-9306.

FOR SALE OR TRADE BRISTOL BAY DRIFT NET
permit. Write Box 77, Dillingham, AK 99576 or call
907/842-5467.

BRISTOL BAY PERMIT \$35000 CASH FIRM, P.O.
Box 99073, Seattle, WA 98199, Don Marean.

FOR SALE BRISTOL BAY GILLNET ENTRY PERMIT
\$35,000. Allan Aspeland, P.O. Box 84,
Naknek, AK 99563.

BRISTOL BAY DRIFT GILLNET PERMIT FOR SALE
adv. for immediate transfer. \$45,000 or best
offer. Call 907-842-5614.

BRISTOL BAY DRIFT GILLNET PERMIT \$35,000 FIRM
ADFG sale approved. Write Box 1313, The
Fishermen's News, C-3 Bldg, Rm 110, Fisher-
men's Terminal, Seattle, WA 98119. 311 ne/alt

Bristol Bay Drift gill net permit
for sale. Ready for immediate
transfer. \$50,000 or best offer.
Call 907-842-5614 after 4.

BRISTOL BAY
DRIFT PERMIT, \$45,000
277-0413 or 337-2758

YUKON RIVER FISH wheel permit.
Best offer, cash or trade anything.
Submit offer to Box 710, Fairbanks
Daily News-Miner, P.O. Box 710, Fair-
banks, Alaska 99707.

SEEKS TO LEASE
WHICH IS
ILLEGAL.

CORPORATION
FISHERMAN.

CORPORATION
FISHERMAN.

Fishing permit. Asking
\$30,000, or best offer. Call
276-3162 or write Auxenty
Stepetin, 832 N. Bliss St.,
Anchorage, AK 99504.

THIS IS AN ARCTIC YUKON KUSKOKWIM AD
WHERE THE LICENSE SOLD IN BETHEL FOR
\$30,000 OR IN THAT VICINITY IN MAY,
1978.

← LEASING IS ILLEGAL BUT IS DONE EVERY
DAY. USUALLY THE EXPERIENCED ALASKAN
FISHERMAN WITHOUT A LICENSE MUST PAY
50% OF TOTAL CATCH AND PROVIDE THE
DECK HAND.

← PREVIOUS ADS QUOTED \$50,000 FOR THIS
ONE. BRISTOL BAY PERMIT.

← SELF-EXPLANATORY.

← SELF-EXPLANATORY.

← SELF-EXPLANATORY.

← THIS IS A STATE OF WASHINGTON LICENSES
BEING LEASED AT AN ANNUAL LEASE PRICE.

FOR LEASE P.S. GILLNET LICENSE \$1500, also
P.S. purse seine lic. for lease \$3,000. 206-
293-7024.

← THIS IS THE BIDDER STYLE WHERE YOU COM-
PETE AMERICAN VS. JAPANESE FINANCE
SYSTEMS TO SEE WHO WILL BE THE HIGHEST
BIDDER.

SAME AS ABOVE.

THESE WERE PREVIOUSLY FOR SUBSISTENCE USE,
BUT WITH THE RISE OF EGG PRICES THE FISH ARE
DISCARDED AND EGGS ARE SOLD. MOST FISH WHEEL
PERMITS ARE TRADED FOR REAL ESTATE WHERE THEY
ARE HARD TO ESTABLISH A TRUE VALUE.

WASH. VESSEL DELIVERY PERMIT, \$2000,
Phone 206 - 636-5227 evenings. -22

ALASKA POWER TROLL \$12,500. GRIFFIN P.O.
Box 744, Port Townsend, WA 98368. -20

TRADE GILLNET BOAT WITH P.S. GILLNET
license for any Alaska permit. Any area and any
type fishery considered. Write to Nelson, P O Box
560, Sedro Woolley, WA 98284. -23tn

FOR SALE. S.E. ALASKA LIMITED ENTRY SEINE
Permit. \$26,500. Phone 503 - 861-2767 or write
P.O. Box 15, Hammond, OR 97121. 19

S.E. ALASKA PURSE SEINE PERMIT \$25,000.
206/779-5451. -20

For sale Gillnet permit south-
east Alaska, also Gillnet boat,
will sell separately. Phone
Haines, Alaska 766-2401 ask for
Charlie.

S.E. Alaska Seine permit for
lease w-option to buy. Call 886-
511, Metlakatla.

FOR SALE. S.E. ALASKA GILLNET PERMIT, 5 YR.
old wood gillnet boat, new 6-53 GM diesel, VHF,
CB, dig. fath., 2 nets, and halibut gear. \$65,000.
503)769-6919 after 5 p.m. -23

WANTED. S.E. ALASKA GILLNET PERMIT. WILL
trade brand new home in Everett, WA (escape from
taxes). Call collect 206 - 321-4864 after 6 p.m. -23

SERVICE 35', diesel powered
wooden double-ender combination
boat. Gillnet, halibut and troll.
Complete & ready to fish including
gillnet gear and S.E. Alaska Gillnet
Entry Permit. \$65,000 cash. firm.
Whitley. Box 252, Douglas 99824. 18

S.E. ALASKA PURSE SEINE PERMIT. \$35,000.
Phone 206 789-3608 or write 5624 3rd Ave. NW,
Seattle, WA 98107. -22

THIS IS A COMPARISON WASH. VS. ALASKA.

THESE TROLL LICENSES RAISED TO \$20,000
WITH THE SUSPENSION OF THE FAIRWEATHER
CLOSURE.

SELF-EXPLANATORY.

SUMMER, 1977

SUMMER, 1977

FALL, 1977. THIS WAS SOLD \$35,000 CASH
BUT \$45,000 ON ANNUAL PAYMENT WAS REFUSED

SPRING, 1977. TYPICAL LEASE ADVERTISEMEN
- SIGN OVER LICENSE WITH RETURN CLAUSE.
USUALLY \$50,000 IN REAL ESTATE IS PUT UP
AS GUARANTEE OF RETURN OF LICENSE.

FALL, 1977. THIS IS TYPICAL OF LINKING
BOAT TO LICENSE TO INCREASE LICENSE
VALUE.

FALL, 1977. ANOTHER TAX GIMMICK THAT IS
USED.

JANUARY, 1978. THROUGH THIS TYPE YOU ARE
ABLE TO OVER-INFLATE BOAT VALUE AS CON-
DITION OF SALE WHERE TRUE LICENSE VALUE
IS \$40,000 TO \$50,000.

FALL, 1977. THESE LICENSES HAVE INCREASE
\$10,000 IN 4 MONTHS. FOREIGN BACKED
FINANCING IS AVAILABLE IN SEATTLE.

SOUTHEAST ALASKA

DIESEL TROLLER with
permit, excellent electronics,
recent survey, \$65,000 - 247-
223 Ward Cove (20)

F/H APOBEE 42 STEEL TROLLER DIESEL POWER
one ton ice hold, \$60,000. Alaska permit included
Write Box 224, LaConner, WA.

ALASKA POWER TROLL PERMIT, \$19,000. 206-
243-2282

WILL TRADE ALASKA TROLL PERMIT AND BOAT
for Southeast Drift Gillnet permit. Harold Bailey
Box 887, Wrangell, AK 99929. 907-874-3958

OR sale Alaska power troll per-
mit. Ready for immediate trans-
fer. \$18,000 firm. Call after 8pm
(206) 398-1703

OR SALE ALL ALASKA POWER TROLL PERMIT
\$15,000 Cash. H. Hansen, Box 753, Wrangell, AK
99929

SE GILLNET PERMIT AND BOAT. BOAT 34' X 10'
cyl. diesel. Seascan radar 12 channel VHF-23
channel CB. Fathometer. Wood Freeman autopilot
gillnets. Priced \$75,000. Both. Contact Earl
Campbell, Box 982, Wrangell, AK 99929. 907-
74-3769

TROLL PERMITS WITHOUT THE BOAT ARE IN THE
VICINITY OF \$20,000. BY BUYING THE BOAT
AS A CONDITION OF SALE, THE TRUE LICENSE
VALUE CAN BE \$40,000-\$50,000.

THIS IS ANOTHER CASE WHERE THE OLDER BOAT
CAN BE TIED IN AS A CONDITION OF SALE AND
THE TRUE VALUE OF THE LICENSE \$50,000.
TAXWISE, YOU WILL PROBABLY BE ABLE TO LAY
OFF MOST OF THE 50% PROFIT ON LONG-TERM
GAINS TO THE BOAT, THUS AVOIDING STATE &
FEDERAL TAXES.

SE DRIFT GILLNET ENTRY PERMIT, \$45,000
6-759-5293 evenings 6 to 9.

SELF-EXPLANATORY.

SE PURSE SEINE PERMIT. 250 FATHOMS PURSE
line extras. Will sell if price is right, or lease.
Wally B. Frank Sr. P.O. Box 112, Angoon, AK
99820

THIS IS ANOTHER CASE OF A LEASE WHERE THE
ANNUAL LEASE PRICE IS BALANCED AGAINST AN
OUTRIGHT SALE.

SEINE PERMIT FOR SALE \$35,000 CASH
Hansen, Bremerton, WA Ph. 206-692-4101

SELF-EXPLANATORY. (BECAUSE OF THE TIME
ELEMENT, THIS WAS SELLING \$15,000 UNDER THE
CURRENT MARKET PRICE.)

OR SALE ALASKA PURSE SEINE PERMIT
\$39,000. Phone 206/858-3953, or 206/858-
5666

SELF-EXPLANATORY.

OR SALE ALASKA PURSE SEINE PERMIT
\$45,000. Ph 907-225-2285. Rt. 1, Box 1090
Ketchikan, AK 99901

YOU WILL NOTE THAT THE ALASKA PRICE FOR
THESE PERMITS IS HIGHER THAN THE ESTAB-
LISHED SEATTLE PRICE. IN WHAT ALASKA COM-
MUNITY CAN THESE PRICES BE MET? ONLY THE
THE FOREIGN-OWNED AND CONTROLLED PROCESS
CAN THIS TYPE OF MONEY BE OBTAINED FOR
ALASKA RESIDENTS.

ALASKA PURSE SEINE PERMIT FOR SALE
Asking \$50,000. Phone 907/886-7511

SEINE PERMIT. IMMEDIATE TRANSFER
available. \$49,500. Ph 907/772-3279, or write
Box 434, Petersburg, AK 99813

THE PETERSBURG FISHERMEN'S UNION PROBABLY
HAS MORE DISENFRANCHISED HEREDITARY FISH-
ING

SOUTH EAST ALASKA

For sale: Cook Inlet Drift Permit. Highest offer over \$40,000. 1.

Write: Bob Olsen, Gen. Del., Seward or have message at 224-5995 or 224-5627.

Wanted: Cook Inlet set net permit and site. Have substantial cash, land or houses to trade. 333-2512.

Will trade Shell Lake acreage & fantastic wilderness creekside plus some cash for entry permit & site on east shore of Cook Inlet or Kolgin Island. 279-2373.

Entry permit wanted. Cash or trade view lots in Eagle River Anchorage. 344-5604.

Want to purchase fishing permit & set net-site. Cash available or lake frontage land in Wisconsin for trade. Joyce Schorr, Box 29, Trapper Creek, AK 99688.

Will take boat and Cook Inlet drift permit as down payment on bar & liquor store. 776-2646.

FOR sale, permanent permit for Cook Inlet, 32 foot boat, 900 ft. of nets and buoys. \$38,000. 333-2573.

WILL TRADE SOUTHEASTERN GILLNET PERMIT IF

you have Cook Inlet Gillnet Permit and \$10,000.

Write: 4122 40th SW, Seattle, WA 98116. Phone

06/935-3157.

For sale 32 FT. Sailer & limited entry permit for area H., with 60 fathom Seine & extra web. Plus Herring Seine, plus skiffs & outboard. Ready for fishing. \$85,000 or best offer. 224-3578 Seward, or Box 96.

Want to buy Cook Inlet drift permit, will pay \$30,000. Terms, partial down, balance in half yearly catch till paid in full, also interested in boat. Lets deal. 283-4080.

32 ft. documented diesel powered plank hull, sailer gill netter, hydraulic reel, 3 station controls. Cook Inlet drift permit, \$38,500 firm. 233-4255.

Cook Inlet drift permit for sale. Best offer over \$30,000 by November 21. 274-0884.

Trade, Cook Inlet gill net permit and 32 ft. boat, for trust deed of \$30,000. Write, Key Box 10-36, Anchorage Times, PO Box 40, Anch., AK 99510.

FALL, 1977. THIS AD SEPARATED BOAT FROM LICENSE.

Cook Inlet Drift permit & boat, new survey, \$25,000 boat, cash only to highest bidder, Box 1310 Soldotna, 96649.

Wanted: Cook Inlet Dist. permit. Trade 20 acres choice land near Tokkeena for permit. Call 279-4377.

Trade: Cook Inlet set net permit for \$12,000, 10%, 10 year second deed of trust on your home. 276-1497, 9 am-4 pm, Tom.

SET NET SWINDLE. THESE ARE SHORE LOCATIONS THAT ARE IN FIXED POSITION

Accepting bids on Limited Entry Permit, Cook Inlet set net. 243-4954

FALL, 1977.

PWS SEINE PERMIT With spot claim, will consider leasing permit to a professionally equipped and operated boat. 344-5604.

Have Cook Inlet good permit. Seek experienced boat and operator for fish 73 season with. Call 839-5141 from 8:30-8 PM, March 11-20th only. Ask for Rick.

THIS IS A BROKER AD WHERE YOU THEN HIRE OR LEASE TO A FISHERMAN TO FISH FOR YOU WHILE YOU NEVER LEAVE THE OFFICE. "CORPORATION FISHERMEN". NOTE PHONE NOS

ANOTHER TRADE THAT IS SUPPOSED TO BE A REGULATORY SYSTEM OF FISHERY MANAGEMENT.

FISH ARE A COMMON PROPERTY RESOURCE OF ALL OF THE CITIZENS AND NOT LIKE A BAR LICENSE.

1976 ORIGINAL ADD \$10,000 BOAT, \$12,000 LICENSE, TOTAL \$22,000. 1 YEAR OF ADVERTISING AND CONTINUALLY RAISING PRICES. THIS SOLD TO NORTH SLOPE OIL WORKER FOR \$44,000 - \$34,000 LICENSE, \$10,000 BOAT

THIS TYPE OF AD RAISES \$35,000 + \$10,000 TO VALUE OF \$45,000.

FALL, 1977. THROUGH MANIPULATION VALUE OF LICENSE \$60,000 - SOME LOCAL PERMITS SOLD FOR \$42,000. THEN \$25,000 PERMITS WERE BOUGHT FOR A PROFIT OF \$17,000. SOME WITH 3 LICENSES BECAUSE OF PRICE INCREASE DISPOSED OF TWO, THUS CREATING TWO MORE BOATS FISHING

FALL, 1977. IF YOU ARE DEPENDENT ON FISHERIES FOR A LIVELIHOOD, HOW CAN YOU LIVE ON 50% OF ANNUAL INCOME UNLESS YOU ARE ON RELIEF.

FALL, 1977. ANOTHER EXAMPLE OF OLD BOAT AND JACKING UP LICENSE VALUE TO \$45,000.

FALL, 1977. THE AUCTION PROCESS THAT HAS COMPETED ONE BUYER AGAINST THE OTHER MANY TIMES EXCEEDS \$50,000.

FALL, 1977. ANOTHER TAX DODGE THAT COULD HIDE TRUE LICENSE VALUE OF \$70,000. Cook Inlet drift permit for sale for \$35,000. 283-4233.

FALL, 1977. THESE HAVE RAISED \$10,000 in 4 MONTHS. COOK INLET (B)

Cook Inlet Herring Sac Roe Per-
mit \$25,000. Call 486-3537
Kodiak.

PWS herring seine permit for sale
\$25,000. 424-3361 or write Box
22 Cordova, Alaska 99574

FISHERMEN
Limited entry permit for Cook
Inlet Set Net Fishery including
boat with house, skiff and motor,
and gear. \$25,000 complete. For
fishing or gear, call 745-2257
Kenilworth.

WANT COOK INLET drift permit. Cook
Inlet for experienced fisherman with
boat or boat to lease. 479-6791

Wanted: Cook Inlet seine net
permit and site. Have substantial
cash, land or houses to trade.
333-2512.

WANT TO LEASE HERRING & SALMON
saine boat and permit for percentage. Must be
Kodiak or Cook Inlet area. Experienced skiff man
or deck hand for Kodiak seiner. Highliners only.
Phone 206-255-3542

TRADING MOTEL FOR COOK INLET GILLNET PERMIT
a boat for 1979 season. 14 kitchenette units
with 2 br. manager apt. 95 percent rentals and can
assume 5 percent loan. Sleef manager realize over
\$13,000 plus rent. 503-588-1591

Cook Inlet drift permit w/well
equipped \$25 documented ves-
sel. All gear included. \$110,000
Only serious calls please.
5-8936

**COOK INLET
DRIFT PERMIT**
and fast boat, 25 knots. M/V
Freedom, 34' wood, twin screw,
15 Cummins each, radio, CB
and VHF, 5 shackles, red
salmon gear. Exceptionally
clean boat. Sold as package deal
only. \$125,000. Can be seen in
Homer or call 235-8005.

THIS IS ONLY THE SECOND YEAR OF LIMITED
ENTRY IN HERRING AND THE LICENSE VALUE
IS ALREADY \$25,000 BOTH IN COOK INLET
AND PRINCE WILLIAM SOUND. LATER SALES
WHERE THE BOAT IS INCLUDED AS A CONDITIO
OF SALE, THE HERRING LICENSE VALUE IS
\$40,000-\$50,000. THERE ARE 923 HERRING
LICENSES ISSUED IN THE STATE OF ALASKA.

THE ASSESSED VALUATION OF THIS LICENSE
WOULD BE BETWEEN \$12-\$15,000. IF IT WERE
A GOOD SET NET LOCATION AND HAD A
PREVIOUS GOOD FISHING RECORD IT WOULD
COMMAND A \$100,000 PRICE LIST.

CORPORATION FISHERMEN. THE LAW SAYS
THAT THERE SHALL BE NO LEASING, HOWEVER
IT IS DONE ON AN EXTENSIVE SCALE.

LIMITED ENTRY WAS SUPPOSED TO BE A REGU-
LATORY SYSTEM AMONG ESTABLISHED FISHER-
MEN. THIS IS AN INDICATION OF ANOTHER
CORPORATION FISHERMAN.

THIS IS THE CASE OF AN EXPERIENCED
SALMON FISHERMAN AND HERRING FISHERMAN
WHO SEEKS A CORPORATION FISHERMAN TO FIS
FOR SINCE HE APPARENTLY HAS NO LICENSE
OR BOAT.

THIS IS ANOTHER TYPICAL INDICATION OF
THE FALLACY OF DOLLAR-SIGN LICENSES.

AFTER EXTENSIVE ADVERTISING, THE LICENSE
SOLD FOR A TRUE LICENSE VALUE OF \$60,000

THIS IS AN INDICATION OF AN OLDER STYLE
SPORTS BOAT CONVERTED TO THE COMMERCIAL
FISHERIES WHERE THE LICENSE IS A CONDITIO
OF SALE. THE TRUE LICENSE VALUE CAN
EXCEED \$80-\$90,000.

COOK INLET

(B)

PROFILE - FREDERICK PAUL

- Son of William L. Paul, Sr. and Frances L. Paul and grandson of Tillie Paul Tamoree
- Born January 26, 1914
- Reared in Alaska, attending schools at Wrangell, Juneau and Ketchikan (Kayhi, 1931)
- Self-supporting since 1931
- Eight years as a commercial fisherman (five in Bristol Bay in sailboat days)
- Three years for "Doc" Walker's drug store at Ketchikan and three years for the Ketchikan Chronicle
- Graduate of the University of Washington, Bachelor of Arts, 1938, Juris Doctor, 1940
- Admitted to practice law: State of Washington, 1940; Alaska, 1940
- Private practice at Wrangell and Petersburg, 1941-43
- Appointed the first Assistant Attorney General for Alaska, 1943-45
- Author of first anti-discrimination law of Alaska in 1945
- Author of first official opinion that Indian children were entitled to attend the public schools - 1944
- 1945-47 Attorney for U.S. Department of Labor, Seattle
- 1947 to date - private practice at Seattle and Alaska, specializing in business and Indian law; senior partner in Paul, Johnson, Paul & Riley
- Attorney, Tlingit and Haida Indians of Alaska, 1946-56
- Attorney, Arctic Slope Native Association, 1966 to 1972

- Superior Court at Anchorage, 1977: Mr. Paul was the "Primary architect and driving force behind the creation and organization of the North Slope Borough
- Discoverer of Sealaska's blunder which misled the Chilkat Indians, the discovery of which led to Klukwan's re-admission to the Alaska Native Claims Settlement Act
- Superior Court at Anchorage, 1977: By 1966 "Mr. Paul was one of the nation's foremost authorities in Indian Law and aboriginal title, had long standing personal ties with Alaska and the Native people and was intimately familiar with both the problems and aspirations of the (Eskimos) as well as the formidable obstacles standing between them and their goals"
- Emmett Watson in The Seattle Post Intelligencer: "The man most singly responsible for the Alaska Natives Land Settlement"

LAW OFFICES

Paul, Johnson, Paul & Riley

260 GRAND CENTRAL on the PARK, 116 FIRST AVENUE SOUTH, SEATTLE, WASHINGTON 98104

*Also member Alaska Bar

April 4, 1979

Harold C. Ostrosky
515 East 12th Avenue, #10
Anchorage, AK 99501

Dear Hank:

Enclosed are the data sheets which will be appended to the 1978 Limited Entry Commission report for 1978. I thought I would make some comments on the figures and their significance.

1. There are 14,017 salmon permits (page 1); however, this figure includes interim use permits and hood-trollers. The number of salmon permits in affected fisheries is 9,764 (page 13).

2. The "high permit price" in transfers has been steadily increasing. For example, the Southeastern salmon drift gillnet for the years 1975-1978 were respectively \$15,000, \$13,000, \$25,000, and \$50,000 (page 5).

3. The number of applications denied due to either lateness or insufficient points is 296 for lateness and 2,816 for insufficient points (page 13). I wonder how many of these come from the bush.

4. In the 1977 Annual Report in Appendix 2 at page 4 the Commission in footnote No. 2 states as follows: "The high prices seem to indicate 'the going market' price, while the low prices reflect 'deals' made to relatives or friends."

5. The 1977 report in Appendix 3 at page 3 indicates that there were 9,190 "total number permits issued" for the salmon fisheries so far regulated.

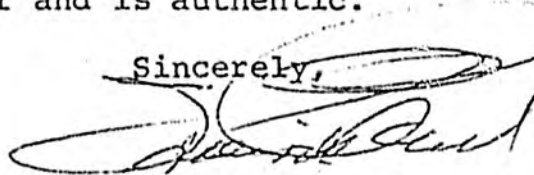
I guess we should revise our aggregate value figures upwards. Graphs can be drawn showing the upward trend of sale prices and comment should be made about the impact of transfers on our fishermen corps.

Harold C. Ostrosky
Page Two
April 4, 1979

7. Since dictating the foregoing I have noticed that from the 1977 Annual Report in Appendix 2 at page 4 for the salmon fisheries the "actual total number of permits transferred" was 2,198 for the years 1975-1977. Turning to the data sheets I have enclosed at page 10 and omitting the 16 transfers involved in the herring fishery there were for 1978 an additional 1,159 permits transferred in the salmon fisheries. So, for the four years of 1975-1978, there were 3,357 permits transferred in the salmon fisheries. That is quite a displacement of our fishing corps (36.2%).

The foregoing report has been checked with Acting Commissioner John Garner and is authentic.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frederick Paul", is written over a horizontal line.

Frederick Paul

FP:pjp
Enclosures

WORKING DRAFT

Appendix Table

of permits
---Number and total revenue received *by CFFC* from the sale of commercial fishing permits in 1978*. This table is organized by species with all associated gear types combined for each gear type. Number of permits is in parentheses.

Type of Fish	Type of Fee			Total	
	Resident	Nonresident	Poverty	Number	Dollars
Herring	115,360 (1,911)	57,360 (323)	2,220 (148)	2,382	\$ 174,940
Bottomfish	43,760 (532)	18,960 (50)	900 (60)	642	63,620
Salmon	598,000 (10,275)	537,000 (2,308)	21,510 (1,434)	14,017	1,156,510
Halibut	175,160 (2,724)	48,360 (169)	2,880 (192)	3,085	226,400
Shellfish	347,280 (2,658)	354,120 (643)	2,475 (165)	3,466	703,875
Freshwater Fish	1,000 (26)	-0- -0-	345 (23)	49	1,345
Miscellaneous	3,440 (124)	1,980 (28)	90 (6)	158	5,510
TOTAL:				23,799	2,332,200

These figures include all sales from January 1, 1978-January 4, 1979.

COPY RECEIVED

By: _____

MAR 30 1979

260 GRAND CENTRAL ON-THE-PARK
216 FIRST AVENUE SOUTH
SEATTLE, WASHINGTON 98104

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41

STATE OF ALASKA

A COMMERCIAL FISHERIES ENTRY COMMISSION

WORKING
DRAFT

POUCH KB
JUNEAU, ALASKA 99811

Please submit this in connection with the Request for Transfer form you have submitted for your entry permit.

This form does not identify you, and the information on it will not be disclosed in any manner that would allow identification of you. The information will be used to monitor permit prices and transfer trends.

You are acquiring a permit for _____

1. How did you locate this permit?

☐ Relative or friend

☐ Advertisement

☐ Commission list of permits for transfer

☐ Fish processor

☐ Other (explain) _____

2. Did you acquire the permit by-- (check all that apply)

☐ Sale

What was the sale price (including the approximate value of any items traded for the permit)? \$ _____

☐ Gift (no money)

What is your relationship to the person you are getting the permit from? _____

☐ Inheritance

What is your relationship to the person you are getting the permit from? _____

☐ Trade

What was traded? _____

☐ Along with vessel, gear or set net site (indicate estimated value)

Vessel \$ _____

Gear \$ _____

Site \$ _____

☐ Other (explain) _____

3. Was the sale financed ☐ yes ☐ no

☐ The person you got the permit from

☐ Bank

☐ Fish Processor

☐ State Loan

If yes, was it through--

☐ Credit Association

☐ Other (explain) _____

4. Do you plan to transfer the permit back to the person you acquired it from?

☐ Yes

☐ No

If you need more space to answer any of the questions, please use the back of this paper.

If you have any questions concerning the completion of the form, do not hesitate to call or write the Commission. The Commission's phone number is (907) 586-3456, and its mailing address is Pouch KB, Juneau, Alaska 99811.

Thank you for your cooperation.

01-AGLH

01-821 Rev. 4/24/78

422

STATE OF ALASKA

WORKING
1/7/81 12:00 PM

COMMERCIAL FISHERIES ENTRY COMMISSION

DRAFT
POUCH KB
JUNEAU, ALASKA 99811

Please submit this in connection with the Request for Transfer form you have submitted for your entry permit.

This form does not identify you, and the information on it will not be disclosed in any manner that would allow identification of you. The information will be used to monitor permit prices and transfer trends.

You have transferred a permit for _____

1. Did you transfer the permit by-- (check all that apply)

☐ Sale

What was the sale price (including the approximate value of any items traded for the permit)? \$ _____

☐ Trade

What was traded? _____

☐ Gift (no money)

What is your relationship to the person you are transferring this permit to? _____

☐ Along with vessel, gear or set net site (indicate estimated value)

Vessel \$ _____

Gear \$ _____

Site \$ _____

☐ Inheritance

What is your relationship to the person you are transferring this permit to? _____

☐ Other (explain) _____

2. Was the sale financed ☐ yes ☐ no

If yes, was it through--

☐ My own financing

☐ Bank

☐ Fish Processor

☐ State Loan

☐ Credit Association

☐ Other (explain) _____

3. Do you plan to get the permit back from the person to whom it was transferred?

☐ Yes

☐ No

4. Why did you transfer your permit?

☐ Poor Health

☐ Retirement

☐ Plan to seek nonfishing employment

☐ Plan to enter other fisheries

☐ Permit was part of the estate of a deceased fisherman

☐ Financial reasons

☐ Other (explain) _____

If you need more space to answer any of the questions, please use the back of this paper.

If you have any questions concerning the completion of the form, do not hesitate to call or write the Commission. The Commission's phone number is (907) 586-3456, and its mailing address is Pouch KB, Juneau, Alaska 99811.

Thank you for your cooperation.

01-AGLII

01-822 Rev. 4/24/78

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WORKING

Type of Gear and

SALMON PURSE SEINE:

Southwestern--1975

1976
1977
1978

Prince Wm Sd--1975

1976
1977
1978

Rock Inlet--1975

1976
1977
1978

Kodiak--

1975
1976
1977
1978

Chignik--

1975
1976
1977
1978

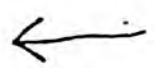
K Peninsula--1975

1976
1977
1978

Permits Given
Permits Traded
Combination
Other Type Trade
Total Number of
High Permit Price
Low Permit Price
Average Permit Price
Price Most Frequently Paid for a Permit
Permits Financed
—By Transfer
—By Processor
—By Bank
—By State Loan
—By Credit Union
—By Other Means
Permits to Retain

15	4	0	0	4	23	16,000	5,000	10,633	10,000	12	5	5	0	0	0	1	2
9	0	1	0	0	10	15,000	6,000	9,222	10,000	5	2	2	0	0	0	0	0
21	0	0	0	6	27	21,000	8,000	16,667	15,000	14	3	3	0	0	0	0	0
14	1	0	2	4	21	50,000	19,000	30,929	25,000	13	3	8	2	0	1	2	0
6	0	0	1	0	7	10,000	5,000	8,000	10,000	5	0	2	1	0	1	1	0
10	0	1	1	4	16	20,000	2,000	10,700	10,000	6	2	1	3	0	0	1	0
5	1	0	1	0	7	47,000	19,000	29,800	N/A	5	2	0	3	0	0	0	0
9	0	3	1	0	13	30,000	20,000	24,272	25,000	4	1	0	2	0	1	0	0
2	1	0	0	0	3	10,000	5,000	7,500	N/A	2	0	0	1	0	1	0	1
4	1	0	0	1	6	20,000	2,000	10,625	N/A	2	1	0	0	1	0	0	0
5	0	0	0	2	7	60,000	15,000	40,000	40,000	4	0	1	0	3	0	0	0
7	2	1	0	1	11	7,500	1,000	4,571	5,000	5	2	3	0	0	0	0	0
11	4	0	2	2	19	18,000	6,000	9,736	8,000	5	0	1	2	0	1	0	0
18	6	1	1	6	32	36,000	1,500	17,611	20,000	7	3	0	2	0	1	1	0
9	8	2	0	1	20	60,000	20,000	47,611	60,000	9	3	2	1	3	0	1	3
1	0	0	0	1	2	N/A	N/A	N/A	N/A	1	1	0	0	0	0	0	0
0	1	0	0	1	3	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
1	0	0	0	1	1	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
0	0	0	0	0	1	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
1	0	0	0	0	0	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
0	2	0	0	1	3	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
1	2	0	0	2	5	30,000	7,000	15,667	N/A	2	1	0	0	0	0	0	0
3	0	0	0	2	5	—	—	—	—	0	0	0	0	0	0	0	0

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WORKING DRAFT

Permits Bought

Permits Given A

Permits Traded

Combination Sales

Other Type Trans

Total Number of

High Permit Price

Low Permit Price

Average Permit P

Price Most Freque
Paid for a Permit

Permits Finance

—By Transferor

—By Processor

—By Bank

—By State Loan

—By Credit Union

—By Other Means

Permits to Rel

Permits to Frie
or Partners

UNION BEACH STATE

Year	1977	1978
# Permits Bought	3	3
# Permits Given A	0	2
# Permits Traded	0	0
# Combination Sales	0	0
# Other Type Trans	1	2
Total Number of	4	7
High Permit Price	30,000	N/A
Low Permit Price	5,000	N/A
Average Permit P	15,000	29,250
Price Most Freque Paid for a Permit	N/A	N/A
# Permits Finance	2	1
—By Transferor	2	1
—By Processor	0	0
—By Bank	0	0
—By State Loan	0	0
—By Credit Union	0	0
—By Other Means	0	0
# Permits to Rel	0	2
# Permits to Frie or Partners	1	0

LYNN DRIFT GILL NET

Year	1975	1976	1977	1978
# Permits Bought	27	12	21	25
# Permits Given A	3	2	4	4
# Permits Traded	3	0	2	1
# Combination Sales	1	0	4	1
# Other Type Trans	3	4	5	6
Total Number of	37	18	36	37
High Permit Price	15,000	13,000	25,000	50,000
Low Permit Price	4,000	5,500	8,000	10,000
Average Permit P	9,211	10,213	16,262	34,604
Price Most Freque Paid for a Permit	10,000	10,000	15,000	40,000
# Permits Finance	21	7	17	18
—By Transferor	10	1	2	3
—By Processor	1	0	2	1
—By Bank	7	5	6	8
—By State Loan	2	0	3	2
—By Credit Union	0	0	0	1
—By Other Means	1	1	4	3
# Permits to Rel	1	1	5	6
# Permits to Frie or Partners	0	0	0	0

Prince Wm Sd

Year	1975	1976	1977	1978
# Permits Bought	9	17	28	25
# Permits Given A	3	5	3	6
# Permits Traded	1	1	0	0
# Combination Sales	0	1	2	0
# Other Type Trans	0	4	5	2
Total Number of	13	28	38	33
High Permit Price	5,000	7,000	35,000	47,050
Low Permit Price	500	1,000	7,000	10,000
Average Permit P	3,089	4,500	13,750	27,742
Price Most Freque Paid for a Permit	2,500 & 5,000	5,000	10-15- & 20,000	25,000
# Permits Finance	6	15	20	19
—By Transferor	3	3	6	3
—By Processor	0	0	7	7
—By Bank	2	3	5	4
—By State Loan	0	0	1	2
—By Credit Union	0	1	0	1
—By Other Means	1	2	1	2
# Permits to Rel	1	1	1	6
# Permits to Frie or Partners	0	0	0	0

Rock Inlet

Year	1975	1976	1977	1978
# Permits Bought	9	29	25	20
# Permits Given A	2	6	6	7
# Permits Traded	1	1	0	2
# Combination Sales	1	0	3	1
# Other Type Trans	0	2	7	11
Total Number of	13	38	41	41
High Permit Price	10,000	13,000	25,000	60,000
Low Permit Price	500	2,500	1,000	2,500
Average Permit P	3,911	5,552	9,643	36,825
Price Most Freque Paid for a Permit	1-5- & 10,000	5,000	10,000	45,000
# Permits Finance	3	12	14	15
—By Transferor	2	3	1	6
—By Processor	0	0	4	1
—By Bank	1	2	3	4
—By State Loan	0	0	0	0
—By Credit Union	0	4	2	4
—By Other Means	0	3	4	0
# Permits to Rel	0	5	5	13
# Permits to Frie or Partners	0	0	1	1

K Peninsula

Year	1975	1976	1977	1978
# Permits Bought	0	3	7	5
# Permits Given A	0	1	4	1
# Permits Traded	0	0	0	0
# Combination Sales	0	0	0	0
# Other Type Trans	1	0	3	5
Total Number of	1	4	14	11
High Permit Price	N/A	10,000	12,000	30,000
Low Permit Price	N/A	4,000	10,000	5,000
Average Permit P	N/A	6,333	10,286	15,000
Price Most Freque Paid for a Permit	N/A	N/A	10,000	N/A
# Permits Finance	0	1	5	3
—By Transferor	0	0	3	2
—By Processor	0	0	0	0
—By Bank	0	1	1	1
—By State Loan	0	0	0	0
—By Credit Union	0	0	0	0
—By Other Means	0	0	1	0
# Permits to Rel	0	0	2	1
# Permits to Frie or Partners	0	0	0	0

Wistol Bay

Year	1975	1976	1977	1978
# Permits Bought	16	25	52	77
# Permits Given A	13	21	19	21
# Permits Traded	0	2	3	2
# Combination Sales	3	5	11	1
# Other Type Trans	3	11	25	26
Total Number of	35	64	110	127
High Permit Price	2,500	10,000	12,000	60,000
Low Permit Price	500	500	250	1,000
Average Permit P	1,166	2,536	6,180	21,638
Price Most Freque Paid for a Permit	1,000	2,000	10,000	25,000
# Permits Finance	9	10	40	52
—By Transferor	4	2	9	12
—By Processor	0	1	7	5
—By Bank	3	7	12	18
—By State Loan	0	0	0	5
—By Credit Union	0	0	6	6
—By Other Means	2	0	6	6
# Permits to Rel	2	25	24	31
# Permits to Frie or Partners	0	3	3	9

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WORLDWIDE

Permits Bought

Permits Given

Permits Traded

Combination Sale

Other Type Trade

Total Number of

High Permit Price

Low Permit Price

Average Permit Price

Price Most Frequently Paid for a Permit

Permits Financed

—By Transferor

—By Processor

—By Bank

—By State Loan

—By Credit Union

—By Other Means

Permits to Relatives

Permits to Friends or Partners

NON POWER TOLLS:

Albacorn—1975

1976	46	11	0	6	65	10,000	300	5,303	5,000	27	10	0	14	1	0	2	2	2	5	1
1977	23	7	1	6	43	10,000	1,000	5,065	5,000	18	7	1	7	0	1	1	2	5	5	2
1978	58	3	3	6	75	15,000	1,000	8,831	10,000	25	7	1	11	1	3	3	2	3	3	0
	73	4	1	5	91	30,000	600	15,457	20,000	39	10	0	15	6	2	6	6	5	3	3

K GILL NET:

Yukon—1976

1977	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1978	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Kokwin—

1976	0	2	0	0	3	—	—	—	—	0	0	0	0	0	0	0	0	0	0	0
1977	0	9	0	0	11	—	—	—	—	0	0	0	0	0	0	0	0	0	0	0
1978	5	18	2	1	32	10,000	2,500	6,100	5,000	2	0	0	1	0	1	0	0	10	0	0

Zebruc—

1976	0	1	0	0	2	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	1	0	0
1977	1	2	0	0	6	N/A	N/A	N/A	N/A	1	0	0	1	0	0	0	0	3	0	0
1978	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Yukon—

1976	0	3	0	0	4	1,000	100	550	N/A	0	0	0	0	0	0	0	0	3	0	0
1977	2	3	0	0	5	10,000	3,500	6,700	N/A	0	0	0	1	0	0	0	0	3	0	0
1978	5	10	0	0	19	10,000	—	—	—	3	2	0	1	0	0	0	0	14	0	0

Yukon Sound—1977

1978	4	1	0	0	5	6,000	900	4,350	6,000	3	1	0	2	0	0	0	0	1	0	0
------	---	---	---	---	---	-------	-----	-------	-------	---	---	---	---	---	---	---	---	---	---	---

Yukon—

1976	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1977	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1978	5	0	0	0	5	9,000	5,000	7,500	8,000	2	0	0	0	0	0	0	0	0	0	0

Not enough data to protect individual confidentiality.

and

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1978 QUARTERLY ENTRY PERMIT PRICE INFORMATION

WORKING DRAFT

1st Quarter (JAN FEB MAR)

2nd Quarter (APR MAY JUN)

3rd Quarter (JUL AUG SEP)

4th Quarter (OCT NOV DEC)

The Commercial Fisheries Entry Commission provides the Department of Commerce Commercial Fishing Loan program with appraised values for entry permits. The appraised value of entry permits is calculated on quarterly basis. The sale prices for each quarter are obtained from the commission's transfer survey. These prices are averaged. No source other than the Commission's confidential survey can be accepted for permit prices. In cases where sufficient data are not available for any quarter, any new data will be averaged with data from the previous quarter. Quarterly updates will be available one (1) month after the end of the subject quarter.

Fishery	Quarter No.	High Price	Low Price	Average Price/ Appraised Value
<u>SEINE</u>				
Southeastern	1	35,000	20,000	25,833
	2	50,000	19,000	33,000
	3	insufficient data		34,000
	4	insufficient data		40,000
Prince William Sound	1	23,500	20,000	20,875
	2	30,000	25,000	27,488
	3	insufficient data		26,658
	4	27,000	35,000	31,000
Cook Inlet	1	insufficient data		
	2	40,000	15,000	31,667
	3	insufficient data		35,000
	4	insufficient data		52,500
Kodiak	1	40,000	20,000	35,000
	2	insufficient data		40,000
	3	insufficient data		60,000
	4	insufficient data		57,125
Chignik		No applicable information--call 586-3456*		
Alaska Peninsula		No applicable information--call 586-3456		
Kodiak Beach Seine	1-3	No applicable information		
	4	insufficient data		29,250

Call or write: Beth Stewart, Commercial Fisheries Entry Commission, Pouch KB,
Juneau, AK 99811.

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WORKING DRAFT

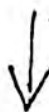
Fishery	Quarter No	High Price	Low Price	Average Price/ Appraised Value
<u>DRIFT GILL NET</u>				
Southeastern	1	42,500	10,000	32,375
	2	40,000	22,000	33,929
	3	insufficient data		35,313
	4	50,000	27,000	39,875
Prince William Sound	1	40,000	10,000	24,346
	2	30,000	18,000	23,833
	3	42,000	40,000	41,000
	4	45,000	20,000	36,250
Cook Inlet	1	42,500	25,000	30,000
	2	47,000	15,000	35,300
	3	insufficient data		37,545
	4	75,000	35,000	57,500
Alaska Peninsula		No applicable information--call 586-3456		
Bristol Bay	1	30,000	5,000	13,941
	2	50,000	12,000	22,000
	3	30,000	20,000	30,000
	4	70,000	20,000	41,867
<u>SET GILL NET</u>				
Yakutat: All 4 quarters		15,000	5,400	10,480
Prince William Sound		No applicable information--call 586-3456		
Cook Inlet	1	15,000	2,000	7,636
	2	12,000	2,500	8,625
	3	15,000	2,000	8,730
	4	25,000	10,000	14,571
Kodiak: All 4 quarters		25,000	10,000	24,667
Bristol Bay	1	5,000	2,000	3,925
	2	13,000	1,500	5,893
	3	10,000	6,500	7,833
	4	30,000	10,000	16,000
FOR ALL A-Y-K FISHERIES--CALL 586-3456 [Yukon; Kuskokwim; Kotzebue; Norton Sound]				
<u>POWER TROLL</u>				
Southeastern	1	16,000	8,500	12,341
	2	25,000	5,000	15,652
	3	25,000	18,000	20,250
	4	30,000	15,500	23,045

WORKING DRAFT

Appendix Table .--Actual number of permits involved in permanent transfer transactions and the total number of permanent permit transfer transactions by residence for 1978. These figures are preliminary. Some changes may occur as corrections are made on the computer file.

Fishery	Resident to Resident	Resident to Nonresident	Nonresident to Nonresident	Nonresident to Resident	Total No. of Transactions	No. Permits Involved
<u>HERRING</u>						
<u>Purse Seine:</u>						
Southeastern	1	1	0	0	2	2
Prince William Sound	7	0	0	0	7	6
Cook Inlet	7	1	1	0	9	7
<u>Set Gill Net:</u>						
Southeastern	1	0	0	0	1	1
<u>SALMON</u>						
<u>Purse Seine:</u>						
Southeastern	17	11	23	3	54	50
Prince William Sound	11	7	15	1	34	31
Cook Inlet	10	0	0	0	10	9
Kodiak	34	7	10	9	60	52
Chignik	1	1	0	1	3	3
Peninsula/Aleutians	10	0	1	1	12	12
<u>Beach Seine:</u>						
Kodiak	16	0	0	0	16	14
<u>Drift Gill Net:</u>						
Southeastern	55	2	15	5	77	67
Prince William Sound	55	7	13	6	81	68
Cook Inlet	62	5	15	3	85	81
Peninsula/Aleutians	14	5	8	0	27	25
Bristol Bay	117	26	71	14	228	210
<u>Set Gill Net:</u>						
Yakutat	14	1	5	0	20	19
Prince William Sound	3	0	1	1	5	4
Cook Inlet	113	6	4	6	129	120

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WORKING

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Fishery	Resident to Resident	Resident to Nonresident	Nonresident to Nonresident	Nonresident to Resident	Total No. of Transactions	No. Permits Involved
<u>Set Gill Net (cont.):</u>						
Kodiak	14	3	3	6	26	24
Peninsula/Aleutians	9	1	2	2	14	13
Bristol Bay	83	10	24	14	131	124
<u>A-Y-K Gill Net:</u>						
Upper Yukon	2	0	0	0	2	2
Kuskokwim	50	0	0	0	50	47
Kotzebue	17	0	0	0	17	17
Lower Yukon	24	1	0	0	25	24
Norton Sound	7	0	0	0	7	7
<u>A-Y-K Fishwheel:</u>						
Upper Yukon	11	0	0	0	11	10
<u>Power Troll:</u>						
Southeastern	85	11	21	23	140	126

end

1270 1175

51
11

Appendix Table . - Disposition of permits in limited fisheries from beginning of application process through February 9, 1979.

WORKING

DRAFT

Fishery	Maximum Number	Number Permits Issued*	Number to be Issued	Number of Pending Applications				No. Applications Denied Due to--	
				Classifications	Evidence	Remaining Hearings	Judicial Appeal	Late Application	Ineligibility and Inadequate Points
SALMON									
Southeastern:									
✓ Purse Seine	395	412	0	0	5	20	3	3	134
✓ Drift Gill Net	453	463	0	0	7	43	1	10	238
✓ Power Troll	950	934	17	22 at 18 points	13	53	2	12	425
Yakutat:									
✓ Set Gill Net	150	161	0	0	7	8	0	3	25
Prince William Sound:									
✓ Purse Seine	258	257	1	5 at 16 points	6	15	0	10	75
✓ Drift Gill Net	511	528	0	0	1	29	5	8	113
✓ Set Gill Net	32	27	5	0	1	3	0	0	6
Cook Inlet:									
✓ Purse Seine	68	74	0	0	2	11	0	1	35
✓ Drift Gill Net	545	550	0	0	13	43	7	27	175
✓ Set Gill Net	686	743	0	0	3	9	0	8	82
Kodiak:									
✓ Purse Seine	368	371	0	0	5	15	1	9	131
✓ Beach Seine	27	33	0	0	1	1	0	0	7
✓ Set Gill Net	183	183	0	0	3	0	0	4	39
Chignik:									
✓ Purse Seine	80	90	0	0	3	16	0	1	24

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WORKING

Fishery	Maximum Number	Number Permits Issued	Number to be Issued	Number of Pending Applications			Judicial Appeal	No. Applications Denied Due to	
				Classifications	New Evidence	Remaining Hearings		Late Application	Ineligibility and Inadequate Point
Alaska Peninsula:									
✓ Purse Seine	111	116	0	0	0	12	0	1	15
✓ Drift Gill Net	155	156	0	0	3	12	1	4	25
Set Gill Net ✓	110	108	2	0	1	12	0	5	7
Bristol Bay:									
✓ Drift Gill Net**	1669	1703	0	0*	60	81	13	80	683
Set Gill Net	803	891	0	0	21	10	2	50	132
Kuskokwim:									
Set Gill Net ✓	810	767	43	34 at 7 points 37 at 6 points	31	12	4	15	145
Lower Yukon:									
Set Gill Net ✓	671	691	0	0	20	5	1	7	125
Upper Yukon:									
Set Gill Net ✓	63	47	16	4 at 8 points 2 at 7 points 11 at 6 points	4	6	3	8	32
Fishwheel ✓	126	108	18	4 at 8 points 2 at 7 points 17 at 6 points	9	20	7	15	53
Norton Sound:									
Set Gill Net ✓	195	175	20	19 at 9 points	7	3	0	3	67
Kotzebue:									
Set Gill Net ✓	214	176	38	19 at 8 points 9 at 7 points 6 at 6 points 32 at 5 points	5	7	0	6	24

9633 9864
9764

end of
salmon

239 454 50 296 2816

63
13

WORKING DRAFT

Fishery	Maximum Number	Number Permits Issued*	Number to be Issued	Number of Pending Applications				No. Applications Denied Due to--	
				Classifications	New Evidence	Remaining Hearings	Judicial Appeal	Late Application	Ineligibility and Inadequate Points
HERRING SAC ROE									
✓ Southeastern: Purse Seine	35	42	0	0	0	8	0	0	8
✓ Prince Wm. Sound: Purse Seine	55	92	0	0	0	13	0	1	17
✓ Cook Inlet: Purse Seine	68	67	1	3 at 5 points	1	10	0	0	5
Southeastern: Set Gill Net	110	17	93	0	132	1	0	1	6
TOTALS:	9901	9982	231	226	372	486	50	292	2853

* Number of permits issued may exceed maximum number because of Isakson Decision applications and hardship determinations.

Bristol Bay drift gill net

** SOFT classifications at the sixteen (16) point level have not at this point been formally denied pending an evaluation of the maximum number.

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March 22, 1979

LIMITED ENTRY IS BAD, BAD, BAD: A CRITIQUE

By Frederick Paul

55

Now that we have had limited entry for five complete years, I want to look at what it has done, is doing and increasingly and progressively will do to us.

The obvious spectacle is that the people of Alaska have donated her commonly owned property - her fisheries - to about 10,000 individuals.

I am talking about her most basic industry, greater than depletable oil. Perhaps timber will come close, because it, too, is renewable. But for now, fish is the premier.

This gift is justified by two reasons - to promote conservation and relieve economic distress - so says the 1972 constitutional amendment.

ECONOMIC DISTRESS RELIEVED?

One thing I am sure of: as to some of the 10,000 permit holders, not all of them, the law has, indeed, relieved their poverty.

But I rather believe the people had a broader vision than simply making some of those 10,000 millionaires, so to speak. So, in this broader sense, has that law relieved economic distress?

With permits commonly selling for as high as \$200,000, the skippers are demanding and getting a share out of the proverbial pie over and above that customarily awarded to a skipper (for his boat, gear and his being the master) for their permit. Thereby, the law has promoted a crewman's economic distress.

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What about a permittee with the traditional family-run boat? On his retirement, some are selling their permits to pay for their old age. Their sons, having lost the family permit, will thereafter be relegated to a maximum caste status of a crewman. This today is occurring. Again, I say the system promotes economic distress by destroying a hope of being a skipper. Its impact destroys initiative and eventually will swell our welfare rolls.

A similar result occurs when a skipper has, by example, three sons and this time he wants to give or will his permit to them. What agony he must go through in choosing the favored one and think of the agony suffered by the disfavored two. It reminds one of the feudal system of old England, known as primogeniture, in which the oldest son inherited all and the younger sons and daughters nothing.

Then there are our old people, both Native and non-Native, too old to even be a crew member but active enough to catch a few salmon for subsistence and in our cash economy to sell for other staples. To do this, such a person would be committing a crime. Again I say, the system promotes economic distress and destroys self-pride.

We are not so far out of our Native culture that all of us have acquired Western Society's demand to make all the money we can. Traditionally, through the centuries the Natives harvested enough fish for their needs. Throughout Alaska, many Natives did not participate enough in the

critical years of 1971 and 1972 to qualify for a permit and yet the law assumes that all Alaskans were so imbued with a demand inside of them that if one were truly a fisherman, and thus worthy of a permit, he would have had landings for the required number of weeks to gain sufficient points for a permit. This assumption is foreign to the Native culture and to many of our adopted non-Native brothers. Again I say the system promotes economic distress. Governments cannot change lifestyles by decree.

Particularly in Bristol Bay, many fishermen have for years taken their vacations or taken leaves of absence from other employment. Because one can qualify for a permit simply by owning a boat, his gear and by his fishing for three weeks in 1971 and 1972, many permits have been issued to those who do not need any economic distress relieved, for they have none. The reason such a person can so qualify for a permit is that economic dependence is not that big a factor in the qualifying process. I cannot believe that the people of Alaska wanted that result in their approving the 1972 amendment.

Any freshman student of the fishing industry knows that a half-way qualified fisherman can get financing through his cannery. At Christmas time, he sends an SOS for some Christmas money and gets it. He orders webbing for his nets in the spring and he gets his engine overhauled, etc. He thereby becomes beholden to his cannery. The cannery

"dominates" that unit of gear.

Now that the permits are selling for these vast sums, no one can tell me that the extent of cannery domination has not ballooned. Whenever a fisherman has to knuckle under to his cannery for fear his boat mortgage will be foreclosed, he gets the worse end of the deal. He pays premium prices for his interest, his insurance, his web, his engine overhaul, etc. I cannot believe that all 10,000 permittees are being relieved of economic distress.

I am not talking about paltry sums. My analysis is that the aggregate value of the permits, utilizing Commission appraisals as a base, is \$325 million. Others believe such aggregate is \$600 million. That is what I call domination.

My wonderment now turns to the concentration of permit ownership outside of our traditional fishing corps. More and more, our old-time fishermen are selling their permits. Western Society can condemn them all it wants to, but that is happening. Perhaps it is because such selling conforms to their lifestyle. No matter what the reason may be, it is a fact. Society having adopted a law alien to their culture will now condemn them for not conforming. The taxpayers will get angry at the resulting increase in our welfare rolls. Again I say economic distress is being promoted.

When one talks about the hundreds of millions of

dollars, the obvious ultimate source of such sums is the multi-national corporations. I reason, therefore, that what the people of Alaska through their legislature and their vote on the 1972 amendment have done is to give such corporations an ownership in our most basic industry at no cost and to invest them with life or death authority over our fisherman corps. All I can ask is: Is the economic distress of multi-national corporations what the people wanted to relieve?

Supposing these thoughts were to impress the legislature or the people sufficient to cause the abolishment of the system, then there is a true dilemma. One choice is to maintain the current system and suffer through the continuing and mounting economic distress.

The other is by law to abolish it. No one has any idea how much money has been loaned in the transfer operation of permits, for the Commission has chosen not to require such disclosures. Certainly, however, it must be millions upon millions of dollars. By the abolishment of the permits the underlying loans are nonetheless still due and owing. No matter what, there will be a lot of economic distress for a lot of people.

My sympathy goes to the legislators. Are they going to vote to abolish this handout and to relieve the economic distress of thousands of our bush people and thereby incur the wrath of the permittees? Or will they vote to

maintain the system and thereby to continue the handout and promote the distress of the bush?

IS CONSERVATION SUBSERVED BY THE LIMITED ENTRY SYSTEM?

All society, including Hank Ostrosky, believes in the conservation of our resources. It is well-known that courts will do their utmost to uphold legislative efforts to promote conservation as well they should. So, of course, the sponsors of Limited Entry base their justification for the system on conservation. It seems almost unholy to fight the system, because one condemns himself as being against conservation. Nevertheless I want to examine this so-called justification.

First there are already awesome tools to conserve fish: the State of Alaska can now regulate the size of gear, size of vessel, the area to be fished, the time periods to fish and impose maximum quotas. If those tools are not enough, then Alaska's failure to utilize them cannot be blamed on lack of power.

The sponsors claim that the decline of the fisheries is a result of over fishing; therefore, the sovereign must limit the number of fishermen. What did the legislature do in this regard? It mandated that the number of permits the Commission must issue was the highest number of gear licenses issued and utilized for the preceding four years (pre-1973). How can the legislature say there is over fishing because of too much gear and still decree that such over supply of

fishermen now have a transferable and inheritable permit. It guarantees an over supply of fishing units. That is not conservation.

To make matters worse, the Commission, pursuant to legislative mandate, has by regulation found as a fact that six major areas have a "distressed" fishery. The drift gillnet fishery in Southeastern is one of them. For the years 1966 through 1971, there were the following respective number of drift gillnet licenses issued and utilized for that area: 285, 320, 402, 297, 339 and 347. The Commission has issued 453 permits for that fishery.

So, even for a "distressed" fishery, the Commission has exceeded the usual number. How in the world can cementing-in the number of permits, admittedly higher than conservation would justify, be a tool to conserve the salmon runs - remember, this is a "distressed" fishery.

Here is another puzzle: the legislature has commanded that the Commission determine the "optimum" number of permits for each fishery. That would be the number to promote conservation and relieve economic distress. The Commission has failed to do so as to all of Alaska.

But even if the Commission had made its determination of the optimum that action would have been useless, for there is no money or mechanism to reduce the permits issued to the lesser optimum number. The legislature has not invested the Commission with authority to buy back a single

permit, let alone enough to reach the optimum level. And, of course, the Commission has not purchased even one.

The money for the buy-back program is to be provided by an annual assessment not to exceed seven percent of the respective harvests by the permit holders. That has never been implemented and probably should not be in view of the Commission's impotence in enforcing the buy-back program.

There is even a more fundamental error in justifying Alaska's limited entry effect on conservation. Bristol Bay is a good example to illustrate this principle. The number of permits issued there is 1669 for the drift gillnet (as compared to 1710 for 1971). It, too, is a "distressed" fishery. There are four distinct salmon runs there: red, pink, chum and king. The number of permits authorized was based on the aggregate of the four runs. Surely, surely the impact of 1669 permittees on the four runs individually must be devastating.

My conclusion is that there is no rational relationship between Alaska's Limited Entry and the promotion of conservation. Indeed, conservation is not subserved by the system.

I get back to the basics; why aren't the other tools of conservation awesome enough, if the Department of Fisheries had some intestinal fortitude, to guarantee an everlasting supply of fish?

THIS MONOPOLY IS SOCIOLOGICALLY BAD

Finally let us look at what Limited Entry really

is. Its philosophy is to guarantee a financially independent corps of fishermen. Let us assume that such philosophy emerges. Why is that good for society? As a lawyer I wish the legislature would by law determine that it is in the public interest that lawyers by law should be financially independent. It would by law determine that the public would be better served if all lawyers had ample money, that we would then refrain from sharp practices, refuse to take marginal cases, that we would enforce pure justice, and so forth ad nauseum; therefore the legislature would find that society needs no more than 1,000 lawyers. Thereby we could charge higher fees which would be in the public interest, so the theory is.

Of course, lawyers need more money and so do teachers, accountants, hunters, mechanics, merchants, policemen, politicians, etc. We all need a monopoly.

It is against the public interest to stifle the ambitions of our children by limiting the entry into any occupation; it stifles ambition, initiative, the pioneer spirit, the dream of "the enjoyment of the rewards of their own industry." It is bad, bad, bad. It must be destroyed. I do not believe the legislature will have the guts to do it. Thank God for Hank Ostrosky, a man who truly believes in the Alaskan spirit. He put his future, what wealth he had, in a sense his honor, on the line. I intend to help him restore this fundamental liberty for all of us.



April 11, 1979

AGGREGATE VALUE OF SALMON PERMITS
DECEMBER 31, 1978

Methodology: In Table 1, the source of the "high permit price" and "appraised price" is the public records as of December 31, 1978, of the Alaska Commercial Fisheries Entry Commission (ACFEC).

Where the ACFEC has a "high permit price," that figure is utilized. The reason for the same is that in its 1977 annual report, the ACFEC stated in appendix 2, page 4, in footnote 2, that the high price reflected the going market price and lesser amounts probably were friendly deals, such as from father to son.

Where there was no high price in the ACFEC public records, then its appraised price was utilized.

Table 2 was developed because there is a category that the ACFEC has certified there is insufficient data to form an opinion. Therefore, the average price of permits as represented by Table 1 was determined. Then the average of Table 1 was multiplied by the aggregate number of permits in Table 2 to determine in an arbitrary, rough and ready system the aggregate value of permits in Table 2.

Finally, the two sums of Tables 1 and 2 were added together to determine the grand total.

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TABLE 1

PERMITS ISSUED FOR WHICH THE ACFEC
HAS TRANSFER-PRICE INFORMATION

AREA	FISHERY	PERMITS ISSUED	APPRAISED	HIGH PRICE	TOTAL
Southeast	Purse Seine	412	40,000		16,480,000
Pr. Wm. Sound	Purse Seine	257		35,000	8,995,000
Cook Inlet	Purse Seine	74	52,500		3,885,000
Kodiak	Purse Seine	371	57,125		21,193,375
Kodiak	Beach Seine	33	29,250		965,250
Southeastern	Drift Gillnet	463		50,000	23,150,000
Pr. Wm. Sound	Drift Gillnet	528		45,000	23,760,000
Cook Inlet	Drift Gillnet	550		75,000	41,250,000
Bristol Bay	Drift Gillnet	1,703		70,000	119,210,000
Yakutat	Set Gillnet	161		15,000	2,415,000
Cook Inlet	Set Gillnet	743		25,000	18,575,000
Kodiak	Set Gillnet	183		25,000	4,575,000
Bristol Bay	Set Gillnet	891		30,000	26,730,000
Southeastern	Power Troll	934		30,000	28,020,000
SUBTOTAL		7,602			\$339,203,625
Average Price - \$44,620					

TABLE 2

PERMITS FOR WHICH THE AC FEC HAS NO PUBLIC
INFORMATION OF SALE PRICES

AREA	FISHERY	PERMITS ISSUED
Kuskokwin	Set Gillnet	767
Lower Yukon	Set Gillnet	691
Upper Yukon	Set Gillnet	47
Upper Yukon	Fishwheel	108
Norton Sound	Set Gillnet	175
Kotzebue	Set Gillnet	176
Chignik	Purse Seine	90
		<u>2,162</u>

\$44,260 x 2,162 = \$96,468,440

Subtotal Table 1 = 339,203,625

GRAND TOTAL \$435,672,065

TOTAL NUMBER OF PERMITS ISSUED

TABLE 1 7,602

TABLE 2 2,162

9,764

SCOMM

#17:6

LIMITED ENTRY POLICY AND THE
BRISTOL BAY, ALASKA SALMON FISHERMEN

A report prepared for the Alaska State Legislature
Based on a survey conducted in Summer, 1979

by

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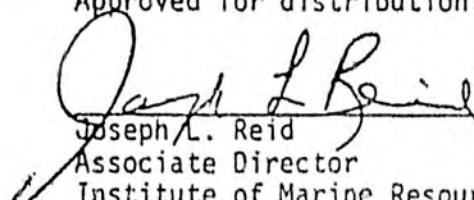

Joseph L. Reid
Associate Director
Institute of Marine Resources

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Abstract

A systematic survey of Bristol Bay, Alaska salmon fishermen was conducted in summer 1979 to examine the impact of limited entry (LE) policy upon them. 56 fishermen and 57 Bristol Bay-area households were surveyed.

The fishery is composed predominantly of ethnic Italian and Scandinavian fishermen from California and the Pacific Northwest, native-Americans residing in the Bristol Bay area, and greater Alaska residents. Bristol Bay-resident and non-Alaskan ethnic fishermen tend to perceive themselves as being primarily fishermen, although they spend the greater part of the year in non-fishing activities. However, their ethnic roots and most of their annual income are from fishing. Non-Alaskan fishermen are often involved in other fisheries, as well as various forms of predominantly blue-collar employment. Local residents fish only in Bristol Bay, and their economic opportunities are extremely limited for the remainder of the year. However, while local fishermen are more dependent upon the Bristol Bay fishery, they tend to earn less from it. Local residents have markedly poorer gear and vessels.

Non-local fishermen -- particularly non-Alaskans -- view LE favorably. They generally believe the policy improves fishing conditions by restricting the amount of gear in the water, and that it enhances fishing income by limiting competition.

Local residents tend to view LE negatively. They perceive that LE limits their participation in the fishery and thus diminishes household income. LE effectively blocks transmission of the fishery to

the young: while 59% of local men 18-24 fish in Bristol Bay, only 15% have permits. Furthermore, a significant proportion of local residents of all ages failed to obtain LE permits. Apparently, social, cultural and economic factors related to life in rural Alaska were not given sufficient consideration by the LE Commission.

The present LE policy is seriously limiting access for many Bristol Bay residents to the area's primary economic resource. This unintended consequence of present policy has serious implications to already-marginal village economies. Steps are outlined whereby this situation may be corrected.

INTRODUCTION

Fisheries in western countries have traditionally been open to all who obtained the necessary license and gear. In recent decades resource economists have argued that this arrangement leads to economic inefficiency - namely, that the harvest of open-access resources tends towards an equilibrium where no profit is realized, since so long as there is a profit to be made additional persons will enter to exploit the resource (Gordon, 1955; Crutchfield and Pontecorvo, 1969). Impressed by this argument, fishery managers have placed a number of fisheries under a radically different regulatory regime known as "limited entry" (LE). Under LE management the number of fishermen harvesting a particular resource is limited, usually to present license-holders.

Various forms of LE have recently been introduced in Japan, Canada, South Africa and the United States. Similar systems were instituted long ago by native societies in western North America and Polynesia (Johannes, 1978). Each LE scheme has unique characteristics in terms of the criteria for granting licenses, transferring permits, and enforcement of the regulations. In most nations where LE has been implemented, emphasis has been placed on optimising the biological and economic factors of a given fishery, and less attention has been paid to the broader social and cultural impact of LE legislation. This study was undertaken to examine LE in the salmon fishery of Bristol Bay, Alaska, specifically taking into account its effect on the social structure of local fishing communities.

The salmon fisheries of Alaska were first developed in the late 1800's, with exploitation centering on red salmon. By the 1920's overfishing was sufficiently widespread to become generally apparent (Crutchfield and Pontecorvo, 1969), and the fisheries responded by diversifying to include the chum and pink salmon. Landings of salmon steadily declined from the 1930's through the 1950's, and were then followed by a mild recovery in the 1960's. However, in the early 1970's some of the poorest harvest in history were recorded, particularly in Bristol Bay, and the economy of coastal fishing villages seemed on the verge of collapse. At this time LE was introduced as a measure to ensure future stability of the salmon fishery.

In this study, I have examined the consequences LE policies may have on traditional fishing strategies and life-styles. In particular, there is concern that LE may adversely affect the transmission of the fishery to future generations. There also exist questions as to whether or not culturally disadvantaged groups have suffered excessively, and what impact LE has had on crewmen and the entrance of young people into the fishery.

The Bristol Bay salmon fishery is, for several reasons, ideally suited to a study of the social, economic, and cultural impact of LE. The social makeup of the fishery is a microcosm of American west coast fisheries: there are both full- and part-time fishermen, fishermen with and without alternative incomes, fishermen with Italian, Scandinavian,

and Croatian ethnic origins, and both native and non-native American fishermen. Because of the geographical isolation of Bristol Bay, its fishermen are dependent upon several centrally-located canneries located in two fishing villages, Naknek and South Naknek, for their market, services, and - most importantly - their housing. This situation greatly facilitated sampling the fishing population. LE has been in effect in Bristol Bay since 1974, giving sufficient time for its impact to emerge. This region seemed particularly apt for a study of the LE question since Crutchfield and Pontecorvo (1969) used the Bristol Bay salmon fishery as an example of a fishery in need of LE. Furthermore, I am personally familiar with the fishery, having fished the Bristol Bay sockeye run myself for two seasons (1970-71).

This study was conducted during the fishing season of 1979. The results show that changes have indeed taken place since the advent of LE. Not all of the effects of LE have been favorable, and I shall present recommendations as to how some of the present problems might be overcome.

METHODS

The survey was conducted using standard questionnaires administered to three groups of respondents: captains of fishing vessels; crewmen aboard surveyed vessels who had crewed for more than five years; and local villagers, most of whom were native Alaskans. The questionnaire was composed of questions that covered the respondent's basic demographic characteristics; his own and his family's involvement in fisheries, particularly in Bristol Bay; the impact of LE on his household's fishing income and fishing strategy; and his views on LE and its effect on various groups of participants in the fishery. A more detailed form of the questionnaire was used to interview captains, and contained questions concerning his vessel and gear used in Bristol Bay.

I obtained lists of the captains under contract with four of the eight major canneries in the Naknek area. Systematic sampling of the cannery lists was used to select approximately 1 out of every 3 captains to be interviewed. Of those selected, 47% - a total of 42 captains - were actually interviewed; this response rate reflected in large part the many "no shows" and fishermen on company lists who fished out of Egegik or Dillingham rather than Naknek. A small number of crewmen were also interviewed.

Households in four local villages were surveyed. The villages of Naknek, South Naknek, Mondalton, and Kokhanok represented a gradient

of proximity to the outside world. This survey in Naknek and S. Naknek was based upon the Borough Tax Assessor's maps and property lists; the surveys in Nondalton and Kokhanok were based on a mapping of all residences in the village prepared in conjunction with local residents. All village samples were based upon a systematic sampling procedure, surveying between 1 in 2 to 1 in 4 households. Of the 66 households selected, 57 were surveyed, giving an 86% response rate. The head of each household was the only person actually interviewed, but questions concerning all household members were asked. Thus the household survey actually covered 235 individuals. Between 10 and 20 households were surveyed in each village.

The survey team was composed of myself, Mary Gilliland (a graduate student in anthropology and logistical coordinator for the program), and six volunteers who jointly funded the program through the Center for Field Research. In addition to the questionnaires we also conducted less formal interviews with cannery superintendents, fishermen's union officials, local community leaders, and numerous fishermen and residents. Detailed field journals of these interviews and contracts were maintained by both Ms. Gilliland and myself.

Data analysis consisted of reviewing the journal material and statistically analysing the questionnaire results. The survey material was evaluated according to the total response, the response from captains and crew, and the response from local villagers. The data on fishermen were categorized according to ethnic grouping as well as according to place of residence (whether Bristol Bay, greater Alaska, or outside Alaska). Data obtained in village surveys were

separated village by village and the results were assessed according to age, sex and ethnic group.

RESULTS

The total resident population of Bristol Bay area is approximately 4600 (Kresge, *et al.*, 1974), and the salmon fleet is comprised of approximately 1500 vessels. A total of 113 questionnaires were completed. Of the respondents, 42 were captains, 14 were crew members, and 57 were heads of households in the villages of Naknek, South Naknek, Nondalton and Kokhanok. The average household contained 4.12 inhabitants; a total of 235 residents were included in the village survey. Of the 66 households selected for censusing 21 were located in Naknek, 14 in South Naknek, 17 in Nondalton and 14 in Kokhanok.

Demography

As seen in Tables I-II, there is a close relationship between the place of residence and ethnic origins of Bristol Bay fishermen. The Bristol Bay fishery is dominated by non-Alaskans, primarily Italian-Americans living along the coast of California, as well as Scandinavian-Americans living primarily in the Pacific Northwest. These ethnic groups (hereafter referred to as the ethnic fishermen) were among the first to commercially exploit the Bristol Bay runs. Local residents (80% of whom are native-Americans) notably comprise a minority of the fishing fleet -- only 10.6% of Bristol Bay captains who fish for the major canners (Table II). 21.6% of Bristol Bay captains are from other parts of Alaska. Overall, Californians predominate, making up 42.6% of all the fishing captains.

Crewmen are also largely from outside Alaska (66.6%) (Table II).

The Bristol Bay fleet is clearly dominated by older fishermen. Tables III-IV show the age composition of the respondents. The majority of captains are between the ages of 36 and 65, more than half of these being over the age of 50. The degree to which this age-distribution has been influenced by LE policy is not known, although as discussed below, LE policy appears to inhibit the entry of young fishermen into the fleet.

Involvement in Fishing

The survey of fishing captains examined the degree to which different fishery groups were involved in fishing and dependent upon it, and their relative standing in the Bristol Bay fishery.

As seen in Tables V-VII, most Bristol Bay fishermen are involved in non-fishing activities during most of the year, regardless of their ethnicity or residence. However, Bristol Bay residents tend to be involved during the remainder of the year primarily in bush-related activities, i.e., subsistence activities, guiding and trapping, while non-local fishermen tend to work in blue-collar jobs (Table V).

There appears to be little basis for the widely-held belief that the fishery is being overrun by vacationing professionals (i.e., teachers, lawyers, doctors). However, even as a small minority (5%) these relatively inexperienced fishermen are highly visible to the rest of the fishing community. But most Bristol Bay fishermen fish only 1-2 months of the year (Table VI), although non-Alaskans tend to spend more of the year involved in fishing. This is further borne out in

Table VII, which shows the extent to which captains are involved in fisheries other than the Bristol Bay salmon run. The large majority (>90%) of Alaskan captains, including Bristol Bay residents, fish only in Bristol Bay. By contrast, 28.9% of non-Alaskans are engaged in one other fishery, and 13.2% are involved in two other fisheries.

Despite the relatively little time devoted to fisheries, the overwhelming majority of Bristol Bay residents and non-Alaskans (but not the residents of greater Alaska) consider themselves to be primarily fishermen (Table VIII). No doubt this results in part from their traditional involvement in fishing. Furthermore, irrespective of residence, approximately 50% of captains depend upon fishing for more than two-thirds of their income, approximately 30% derive between one-third to two-thirds of their income from fishing, and the remaining 20% obtain less than one-third of their income from fishing (Table IX).

It is important to note, however, that local residents are far more dependent on the Bristol Bay fishery per se. As seen in Table X, more than half of the captains who are local residents are dependent upon the Bristol Bay fishery for more than two-thirds of their income. By contrast, only 20% of non-Alaskan captains are as dependent upon the Bristol Bay fishery. Non-local fishermen tend to be involved in other fisheries to a greater extent (Table VII).

When income from the Bristol Bay fishery is examined with respect to ethnic origin, similar patterns emerge. Table XI shows that 50% of natives acquire more than two-thirds of their income from the Bristol Bay fishery, whereas of the ethnic Italians, Croatians, and Scandinavians, only 9.5% fall into this category. However, when ethnic origin is considered against the percentage of income derived from all fishing activity, shown in Table XII, it can be seen that all groups are more or less equally dependent upon fishing as a whole.

Although local residents are more economically dependent upon the Bristol Bay fishery, their earnings from the fishery are significantly less. This conclusion follows both from the response to questions about income and from consideration of the gear and vessels used by local and non-local fishermen. Table XIII shows the breakdown of total annual income from the Bristol Bay fishery according to the place of residence. Due to the reluctance of captains to divulge information about their absolute annual income, there was a very low response to this question: 85.5% of local fishing captains and approximately 50% of non-local fishing captains would provide no information. However, of those responding, non-local captains appear to earn considerably more from the Bristol Bay fishery. Bristol Bay resident captains were distributed more or less equally among all income categories (i.e. <\$5,000, \$5,000-10,000, >\$10,000), while few non-locals make less than \$5,000 per year on the Bristol Bay fishery, and the largest fraction earn in excess of \$10,000 per year.

While the data on income from the Bristol Bay fishery is sparse, the apparent difference between local and non-local fishermen is

strongly supported by ancillary data on their vessels and gear. Table XIV shows that 97.6% of non-local fishermen have the standard 32' Bristol Bay gillnetter, while only slightly more than half the local residents have 32' fishing boats. Most other local residents have skiffs. While skiffs require a smaller capital investment, they hold fewer fish and, being less seaworthy, can be fished for fewer days of the season. Also, when the cannery impose limits on their fishermen due to limited capacity, the limit imposed upon skiffs is typically half the limit for the 32' gillnetters. Thus skiff-fishermen earn considerably less during a season than fishermen on larger vessels.

The difference in the fish capacity of the local and non-local fishing fleets can be seen in Table XV. Of the boats owned by Bristol Bay resident captains, 61.5% hold less than 3,000 fish, whereas 80% of boats owned by other Alaskans and 74.2% of boats owned by non-Alaskans hold more than 3,000 fish.

The difference in value between local and non-local fishing vessels is evident in Table XVI. 66.7% of local owners have boats whose estimated value was <\$10,000. By contrast, the majority of non-local fishermen (75% of other Alaskans, and 60% of non-Alaskans) have vessels whose purchase value exceeded \$21,000. It should also be noted from Table XIV that some local permit-holders, who were encountered during the village surveys, had formerly leased vessels from the cannery but had been recently cut off and are now without any vessel.

Residents of Bristol Bay also tend to have rather poorly-equipped vessels. Table XVII shows the numbers of shackles of net

owned by fishermen from different regions. Three shackles of gillnet may be fished at a time. A full 50% of local captains have only between 1-3 shackles, whereas the majority of non-local fishermen (60% of other Alaskans and 72% of non-Alaskans) have more than 3 shackles. Non-local fishermen thus have spare gear in case of loss or damage in mid-season.

I examined cultural as well as economic differences between groups of fishermen. LE places the fishery on a basis of individual ownership, which may be contrary to the cultural patterns of certain ethnic groups. As seen in Table XVIII most non-ethnic fishermen own their own vessels. Of the ethnic Italian, Croatian, and Scandinavian captains, the largest fraction (47.8%) lease their vessel, and only slightly more than half of the remainder own their vessel outright. Among native-Alaskan captains, approximately the same percentage (29.4%) own their vessel fully, but the remainder are almost equally split between those leasing (29.4%) and those involved in partnerships (23.5%). A smaller fraction of the ethnic captains are involved in partnerships (13.0%).

Transmission of fishing rights

The question of how the transmission of fishing rights to succeeding generations is influenced by LE was addressed in detail. The survey examined relative family size among different groups, since the LE permit may be transmitted to only one person; the career-goals of respondents for their children, particularly in relation to fishing; and the respondents' assessment of whether their children would be

able to obtain LE permits. The relative success of local residents to obtain LE permits was examined directly in the village surveys.

Table XIX shows the number of sons that respondents have by residence. Approximately the same percentage of respondents have one or two sons, irrespective of place of residence. However, the percentage having three or more sons is higher among local residents (19%) than among outsiders (ca. 8%). Native Alaskans are noted to have large families (Kresge, *et al.*, 1974). Among outsiders, almost half of the respondents have no sons whereas only 31% of local residents have no sons.

Table XX shows the number of sons of captains engaged in fishing according to the residence of the captain. The percentage of captains with no sons fishing is approximately 75%, irrespective of the place of residence (significance = .90). Among the captains whose sons are fishing, there is little difference according to the place of residence.

Captains were also asked whether they wanted their sons to fish or not. The response are shown in Tables XXI and XXII for sons under 18 and sons 18 and over, respectively. Local residents with sons were virtually unanimous in wanting their sons to fish. However, non-local fishermen were fairly evenly divided, approximately as many wanting their sons to enter another field as wanted their sons to fish. Non-local fishermen often indicated they wanted their sons to attend college; others indicated they would not mind if their sons fished, but did not want them to be fishermen.

Captains were also asked whether they thought that their young sons might have trouble obtaining permits, but so few captains had young sons that the results of this question may not be significant. Respondents appeared to be split on the issue, as shown in Table XXIII, there was approximately equal division among captains who thought that their young sons would be able to obtain permits by one means or another and captains who thought their sons would not be able to obtain permits. This issue is further explored below in relation to the village survey.

Survey of local villages

In addition to conducting interviews of fishing captains, surveys of four local villages were also carried out. The heads of households were asked questions concerning all members of the household, but only results dealing with the male population are presented here since it is the males who are predominantly involved in the fishery.

Table XXIV shows the percentage of males in each of seven age groups who are presently fishing in Bristol Bay for some time in the year. The percentage of fishermen increases with age, being highest in the 25-35 year-old age group (66.7%). Approximately one-third of males under the age of 18 and one-third of those over the age of 51 are also engaged in fishing. Of the total male population, 45.4% fish in Bristol Bay.

Table XXV shows the type of employment in which males of working age (18-65) are engaged. The largest fraction of males (40.9%) depend upon part-time employment; many of these men are so employed in

addition to fishing. Of working-age males, 15.2% are dependent solely upon fishing as a source of income, and 18.2% are either unemployed or are receiving welfare. The remaining fraction of men (approximately 25%) are skilled workers of one type or another.

Table XXVI summarizes the fishing permit history of working-age males in the villages. Approximately one-third (34.9%) hold permits, the majority of these being drift permits. Of the permit holders, approximately one-half are entirely dependent upon fishing for their income (Table XXV). Only 30.3% of the population initially obtained permits when limited entry legislation came into effect, so there has been a very slight increase in the number of permit holders since 1974. However, a substantial percentage (28.8%) of working-age males have applied for permits since 1974, and approximately 75% of these permit applications have been denied. Furthermore, only a very small percentage (6.1%) have sought to appeal this denial.

The situation of local males 18-35 is particularly striking. Overall, 85% of local males 18-24 and 72% between the ages of 18-35 have no permits. 74% of males 18-35 have not applied for permits, although two-thirds of the men in this age group fish in Bristol Bay. Legal advisors who visited the villages apparently discouraged men from applying for permits if they did not have the requisite experience as captains prior to 1974. Young men have no doubt also been influenced by the poor success of those in that age bracket who have applied: of 9 applications filed besides those originally received (7 for drift permits, 2 for setnet permits), only one setnet permit was received in the four villages surveyed. This single instance of success only followed a highly determined and costly

pursuit of the case by the interested party and his family.

It became apparent through informal discussions with local residents that their considerable dependence on seasonal employment has in many instances actually placed them at a disadvantage in terms of gaining the requisite experience for a LE permit. The 1972-74 fishing seasons had particularly poor runs, and this was predicted well in advance. Local residents who had alternative forms of seasonal employment, such as firefighting for the Bureau of Land Management, often chose not to fish. Non-local fishermen, on the other hand, could "afford" to fish Bristol Bay during those years, since they have other sources of income. The LE Commission, however, weighted 1971-72 more heavily than other years. As a result, enterprising local fishermen who developed alternative forms of income for the poor salmon years now often find themselves unable to return to fishing. This pattern was seen clearly in the village of Nondalton, whose residents are locally renowned as firefighters. However, they consider themselves primarily to be fishermen. But largely as a result of their firefighting activity in the early 1970's, there are now only 7 permits in this entire village of 37 households.

Opinions on Limited Entry

All respondents were asked to evaluate the effect of LE on their household income (Table XXVII). There is a marked difference between local and non-local fishermen. Of the former, more than 40% consider that their income has decreased since the institution of LE, 35.5% perceive no change, and 6.4% feel that their income has

increased. By contrast, many non-Alaskans consider that they have profited from LE: although 42.1% see no change, more than 30% have experienced a rise in income. Discussions with local residents indicated that they perceived a decline in household income due to LE primarily because fewer members of each household are now able to fish.

These differences between local and non-local fishermen are reflected in their opinions as to whether LE should be modified. Table XXIV shows that only 6.5% of local residents are in favor of having LE continue in its present form, whereas approximately 40% of the non-local fishermen are in favor of the status quo. Approximately 50% of all respondents believed that LE should be modified, and almost 20% of Alaskans surveyed -- both local and non-local residents -- felt that the law should simply be repealed.

When asked what steps might be taken to modify LE, respondents replied as shown in Table XXVIII. The favored solutions were, in order of importance, to grant more local permits (36.4%); to provide more enforcement (31.8%) and to end the ability to sell or transfer permits (18.2%).

It is important to note, however, that local residents tend to want the present LE system modified in the direction of granting more permits to local people, whereas non-local fishermen tend to emphasize more enforcement of regulations and control of the sale of permits, as well as the issuance of more permits to experienced and local fishermen.

All persons surveyed were asked to identify aspects of LE that they considered favorable (Table XXIX). The most important

favorable aspects of LE were considered to be that LE limits competition (47.3%) and that it limits the amount of gear in the water (36.6%). Few responded that LE improves the fisherman's bargaining position (8.0%), that it secures his position with the cannery (8.0%), that it provides an investment toward retirement (6.3%), or that it keeps non-fishermen out of the fishery (11.6%).

On the other hand, the most criticized aspects of LE were that it inhibits the entry of young people into the fishery (45.5%), that it keeps local people out of the fishery (42.0%), and that it keeps out people with need (31.3%) (Table XXX). Between 67-83% of local residents voiced these three criticisms. Only 13.4% of the respondents had no criticism of the system.

Local residents seem to be at a significant disadvantage within the present LE system. The application procedure requires completion of a lengthy, complex form. Yet 24% of Bristol Bay residents have had no formal education (Kresge, *et al.*, 1974). Various documents (e.g. income tax records, bills of sale, old fish tickets or licenses, etc.) are required to document various parts of the application that are generally not maintained by village residents. In some cases, this may be due to the accidental destruction of records (such as by fire or flooding), but more often villagers have simply not seen the need in the past to maintain records of such documents.

Should an applicant complete and file his application, there is a strong possibility that he will nevertheless be denied the permit. Only a small fraction of those who have been denied permits have actually sought redress. Many villagers were discouraged by the

appeal procedure. Some knew other villagers who had been involved in lengthy and costly appeals to no avail; others indicated that the legal counsel available to them was not sufficiently interested or motivated to help them. In general, villagers are unfamiliar with government procedures.

It should also be noted that the saleability of permits has led to a steady drain of permits from the villages. Between 1975-77 there were 66 permit transactions involving net movement of a permit between Bristol Bay residents and non-local fishermen. Of these, 44 (67%) were permit transfers from local to non-local fishermen; only 23 (33%) were in the other direction (Langdon, unpubl. mss). The Bristol Bay economy is both poor and based on the seasonal salmon fishery. In winter, particularly during the long series of poor fishing years, local residents have often sold their permits in the face of real need. On the other hand, local residents rarely would have the resources to buy back a permit, which are currently advertised for \$75,000.

CONCLUSIONS

The Alaska LE system is having a significant impact on the fishermen and residents of Bristol Bay. Ironically, the policy is proving more deleterious to the marginal local fishing economies that it was ostensibly implemented to aid. While the system is helping to maintain higher fishing incomes in an era of better runs and improved market conditions, the present system is clearly in need of reform.

While fisheries in general are of equivalent importance to all the major fishery groups in Bristol Bay, local residents are most

dependent upon the Bristol Bay fishery in particular. However, non-local fishermen are clearly benefitting most from the present system. They tend to have larger, more expensive vessels than local fishermen; their boats are better equipped and tend to have a greater fish capacity. By limiting the entry of additional fishermen, LE at present greatly benefits the non-local fisherman.

On the other hand, almost half of the local male residents are involved in the fishery, and a large fraction of them derive their entire income from the Bristol Bay fishery. However, LE appears to be significantly restricting economic opportunity for local people. The majority of local households report either no change or a decline in income as a result of LE. This is typically ascribed to the LE system's excluding members of the household from operating their own boat or from being able to fish altogether. This results in large part from the local resident's being educationally and culturally disadvantaged in working with a complex form requiring extensive documentation. The LE point system also discriminates against fishermen who could not "afford" to fish during the poor years in the early 1970's and who were able to find alternative seasonal employment. Local poverty -- and the questionable provision that allows LE permits to be sold -- has furthermore led to a drain of permits out of the local fishing grounds.

Perhaps the most serious aspect of the present Alaskan LE system, however, is its impact upon young people in local communities, who find it difficult to obtain LE permits. This problem is

aggravated by the large size of the typical local household, the lack of alternative opportunities locally, and the inadequate preparation the people receive to compete in the outside world. Insofar as salmon fishing is the economic base for the village way of life, it is essential that adult members of the community have access to the fishery. In the past, young men served an apprenticeship under their father or other relative until they established themselves as adults in the community. They then obtained their own boat. However, without provision for new permits to be issued, there is no means by which young people can attain economic independence in the village under LE. This problem is evident today among those in their early twenties, who were serving their apprenticeships as crewmen in the fishery at the time LE was enacted and who, therefore, did not qualify for licenses under the LE point system. Today they are raising their own families but are barred from fishing their own vessels and must scramble to serve as crew members with friends and relatives. Local families are large. Clearly this problem will become more severe with time. If unalleviated, it must lead to the disintegration of village life through increased dependence on a debilitating welfare system and outmigration.

While most captains agreed that LE limits competition and also limits the amount of fishing gear in the water, and that these were favorable changes in the fishery, there was a great deal of criticism of LE. The central problems were perceived to be that LE prevents young people, local residents, and those who are in need from taking

part in the fishery. The most frequently-suggested solutions were that more local permits should be granted, and that the sale of permits be prohibited.

In closing, it should be noted that certain aspects of the present LE system could not be examined in the context of the present study. Discussions with fishermen revealed allegations of widespread use of illegal permits and of fishing without a permit. The extent of this problem could not be ascertained. However, some local residents admitted to fishing illegally and expressed the view that they were forced to do so because of the lack of alternatives and the difficulty involved in obtaining a legal permit. Clearly the LE system should be more strongly enforced only after the injustices have been removed.

RECOMMENDATIONS

The entry of young local people into the fishery presents the gravest problem with the current LE system. The system must make accommodations for local persons and young people who are committed to and dependent upon fishing as a way of life. Fishermen from outside the Bristol Bay region appear to be increasingly dominating the local fishery since LE legislation was enacted, yet it is the local people who most depend upon the resource. The following specific recommendations are proposed as steps towards correcting present problems with LE:

1. The transferrability of permits should be revoked. If a permit is not used within three years of its acquisition it then returns to the state.