

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 89/2

829 SCOMM129: HOUSE INTERIM COMM. FOREIGN INVESTMENTS 1979

Seattle, Washington 98107
(206) 789-5333

Pacific Fishing

February 26, 1980

Fred F Zharoff
Pouch V
State Capitol
Juneau, AK 99811

Dear Mr. Zharoff,

Pacific Fishing is a new commercial fishing magazine serving the U.S. west coast. We are interested in obtaining a copy of the study, Foreign Investment in the Alaska Seafood Industry.

Could you please send a copy to the above address? If there is any charge the invoice should be sent to the same address.

Thanking you in advance,

Michael Parker

Michal Parker
Office Manager

**WEST COAST FISHERIES
DEVELOPMENT FOUNDATION**

720 S.W. Washington, Suite 418

Portland, Oregon 97205

Phone (503) 222-3518

WILLIAM S. JENSEN
Executive Director

2-29-80

Dear Mr. Thoroff,

I thank you for sending
a copy of the Orth study
of foreign ownership.
Attached are title sheets
of the two Canadian studies
I mentioned to you. If
you contact: Mr. John Allan
Ministry of the Environment
Parliament Building
Victoria, British Columbia
Canada

I am sure that he can obtain
copies for you. If this office can
ever be of assistance, please don't
hesitate to contact us.

Sincerely,
Bill Jensen

An Economic Study
of the
STRUCTURE OF THE BRITISH
COLUMBIA SALMON INDUSTRY

by MARVIN SHAFFER, Ph.D.
Consulting Economist

April 1979

All opinions expressed in this report are those of the author. Opinions expressed do not necessarily reflect the view of the Department of Fisheries and Oceans Canada nor the Ministry of Environment, British Columbia and this report does not constitute an expression of governmental policy. This study was prepared under contract for the Salmonid Enhancement Program, 1090 West Pender Street, Vancouver, B. C. V6E 2P1. Financing, technical guidance and coordination of government agency review were provided jointly by the Department of Fisheries and Oceans Canada and the British Columbia Ministry of Environment.

**FOREIGN INVESTMENT IN
BRITISH COLUMBIA FISH PROCESSING**

Prepared for British Columbia Ministry of Environment

by

Quadra Economic Consultants Ltd.

in association with

McDaniels Research Ltd.

Aug 1979

HOKUYO SUISAN COMPANY, LTD.

Seattle Representative Office

KUNIO ADACHI

2715 48th Avenue S. W.

Seattle, Washington 98116

Tel. (206) 932-2431

Telex: 32-8048

March 9, 1980

Home Office

9-13 7 - Chome Tsukiji

Chuo-Ku, Tokyo, Japan

Tel. (03) 542-2571

Telex: 252-2987

Mr. Fred Zharoff

Pouch 5 - V

State Capital

Juneau, Alaska 99811

Dear Mr. Zharoff

In this writing, I would count on your kindness and courtesy.
Will you kindly send me two copies of " FOREIGN INVESTMENT IN THE ALASKA
SEAFOOD INDUSTRY ", prepared by Frank Orth & Associates, Inc. and
W. Patrick Dougherty, January, 1980.

I enclose a self-addressed label.
Please send me a bill for your cost.

Sincerely yours,



Kunio Adachi

REPRESENTATIVE
FRED F. ZHAROFF
P.O. BOX 408
KODIAK, ALASKA 99618
(907) 486-8284



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 485-4888
485-4881

House of Representatives

March 24, 1980

DISTRICT 14:

BELLSFLATS
CHINIAK
KODIAK
OUZINKIE

John Allan, Economist
Ministry of Environment
Parliament Buildings
Victoria, British Columbia
CANADA V8V 1X4

Dear Mr. Allan:

Thank you for sending the requested copies of your reports. Please find enclosed a copy of the interim report on "Foreign Investment in the Alaska Seafood Industry". I hope that it will be of some use to you.

Please feel free to comment on this report or related areas of interest.

Sincerely yours,

A handwritten signature in cursive script, reading "Fred F. Zharoff".

Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure



March 16/80

Fred F. Zharoff

Chairman

Interim Committee on Foreign Investment

Dear Mr. Zharoff,

Please find enclosed copies of the reports requested in your letter of March 4, 1980.

Thank you for your offer to send a copy of the report, "Foreign Investment in the Alaska Seafood Industry." I would very much like to receive this report.

Please excuse my handwriting. I am about to take two weeks of annual leave and wanted to get these reports in the mail as soon as possible.

Perhaps we might exchange future reports and ideas on foreign investment in our respective fisheries.

John Allan
Economist.

REPRESENTATIVE
FRED F. ZHAROFF
P.O. BOX 408
KODIAK, ALASKA 99618
(907) 486-8284



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 488-4886
488-4881

House of Representatives

March 28, 1980

DISTRICT 14:

BELLSPLATS
CHINIAK
KODIAK
OUZINKIE

Y. Takaguchi, Director, Secretary
Nippon Suisan (U.S.A.), INC.
3718 Seattle - 1st National Bank Bldg.
1001 - 4th Avenue
Seattle, Washington 98154

Dear Mr. Takaguchi:

Thank you for your letter of March 25, 1980 in which you indicate your interest in the interim committee report on Foreign Investment in the Alaska Seafood Industry. Enclosed are the two (2) copies you requested. Please feel free to comment on this report or related areas of interest.

Sincerely yours,

Levin M. Smith

for

Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure

25

Mr. Fred [unclear]
[unclear]
State of [unclear]
[unclear]

Dear Sir:

We were given your name and address by an associate of
ours in regard to a volume which you have on hand.

The name of the volume is: WILSON'S INVESTIGATION IN THE ALASKA
MOUNTAIN DISTRICT. Prepared for House Select Committee on
Foreign Investment of the Alaska Territory. Prepared by:
Frank Graham, Associate, Inc. and W. Franklin Douglas,
January, 1937.

We would like to order a volume of the above mentioned
if there are no charges. Please invoice us, forwarding

Thank you very much for your attention to this matter.

Sincerely,
[unclear]
WILLIAM SUTHERLAND & SONS, INC.
[unclear]
Director, Secretary

WWS:OC

REPRESENTATIVE
FRED F. ZHAROFF
P.O. Box 408
KODIAK, ALASKA 99618
(907) 486-8284



WHILE IN JUNEAU
FOUCH V
JUNEAU, ALASKA
99811
(907) 488-4986
488-4981

House of Representatives

April 16, 1980

DISTRICT 14:

BELLSFLATS
CHINIAK
KODIAK
OUZINKIE

Dr. Paul Anton, Dep. Director
Dept. of Commerce & Economic Development
State of Washington
General Administration Bldg.
Olympia, Washington 98504

Dear Dr. Anton:

Thank you for your letter of March 19, 1980 in which you express an interest in the interim report on "Foreign Investment in the Alaska Seafood Industry". Enclosed is the requested copy.

Please feel free to comment on this report or related areas of interest.

Sincerely yours,

Levin M. Smith

for: Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure



STATE OF
WASHINGTON

Dixy Lee Ray
Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

General Administration Building, Olympia, Washington 98504

206/753-5630

March 19, 1980

Representative Fred Zharoff
Pouch B
Juneau, AK 99811

Dear Representative Zharoff:

I am interested in obtaining a recent study done by Frank Orth and Associates for the Alaska Legislature entitled "Foreign Ownership of Alaskan Fish Processing Firms."

Could you please forward this publication to me along with any charges that might be acquired.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paul Anton".

Dr. Paul Anton
Deputy Director

PA:34/111

REPRESENTATIVE
FRED F. ZHAROFF
P.O. Box 405
KODIAK, ALASKA 99615
(907) 485-5234



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99911
(907) 485-4986
485-4981

House of Representatives

April 16, 1980

DISTRICT 14:

BELLSFLATS
CHINIAK
KODIAK
OUZINKIE

Andrea G. Coffman, Librarian
Ocean and Coastal Law Center
School of Law
University of Oregon
Eugene, Oregon 97403

Dear Ms. Coffman:

Thank you for expressing your interest in the interim committee report on "Foreign Investment in the Alaska Seafood Industry". Enclosed is the requested copy.

Sincerely yours,

Lin M. Smith
for: Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure



Ocean and Coastal Law Center

School of Law
UNIVERSITY OF OREGON
Eugene, Oregon 97403

503/686-3845

April 7, 1980

Chairman
House Interim Committee on Foreign Investment
Alaska Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Sir or Madam:

The Ocean and Coastal Law Center would appreciate receiving a copy of
the following publication(s) for our library:

FOREIGN INVESTMENT IN THE ALASKA SEAFOOD INDUSTRY. Prepared by Frank Orth
and Assoc., Inc., Jan 1980, for The Committee

We are part of the Oregon State University Sea Grant Program sponsored by
NOAA. If there is a charge for the publication(s), please send an invoice.
However, if the price is more than \$5.00 for any one publication, please
notify us of the cost before sending the publication.

Thank you very much.

Sincerely,

Andrea G. Coffman

Andrea G. Coffman
Librarian

an equal opportunity affirmative action employer

REPRESENTATIVE
FRED F. ZHAROFF
P.O. BOX 405
KODIAK, ALASKA 99615
(907) 466-5254



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-4986
465-4951

House of Representatives

May 7, 1980

DISTRICT 14:

BELLEFLATS
CHINIAK
KODIAK
OUZINKIE

Mr. John Bishop
National Marine Services
Statistics and Market News Office
100 Westlake Ave. N, Rm. 732
Seattle, Washington 98109

Dear Mr. Bishop:

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

Sincerely yours,

Levin M. Smith

for: Fred F. Zharoff
District 14 Representative

FFZ:lms

Enclosure

Foreign

The following is a list of names that you requested who would be interested in receiving a copy of the Interim Committee Report on Foreign Investments:

United Fishermans Marketing Assoc.
Jeff Stephens, Manager
P.O. Box 1035

Shrimp Trawlers Assoc.
Al Burch, Manager
P.O. Box 991

Marine Advisory Program
Hank Pennington
Pouch K.
Kodiak, Ak.

Kodiak Island Borough
Gary Hovanec, Manager
P.O. Box 1246

City of Kodiak
Clair Harmony, Manager
P.O. Box 1397

Kodiak Daily Mirror
Roger Brigham, Editor
P.O. Box 1307

KNXT, FM
Lin Stafford, News Director
P.O. Box 484

Kodiak Times
Neil Waage, Editor
P.O. Box 2368

Would like to have a copy for the Information Office as well.

Will send other names as I have them.

Mary Jo

LIST OF PERSONS AND ADDRESSES TO WHOM ONE COPY OF
FOREIGN INVESTMENT IN THE ALASKA SEAFOOD INDUSTRY SHOULD BE SENT

Dr. Robert Siegel, Economist
Economic and Marketing Research Division
National Marine Fisheries Service, NOAA
3300 Whitehaven Street N.W.
Washington, D.C. 20235

Representative Les AuCoin
721 House Annex #1
Washington, D.C. 20515
ATTN: Dan Panshin

Mr. Jay Hastings
610 United Pacific Building
1000 2nd Avenue
Seattle, Washington 98104

Mr. Richard Meier, Deputy Director
Office of Foreign Investment in the U.S.
U.S. Department of Commerce, Room 6093
Washington, D.C. 20230

Senator Ted Stevens
Room 260
Russell Senate Office Building
Washington, D.C. 20510
ATTN: Steve Perles

Representative Don Young
Room 1210
Longworth House Office Building
Washington, D.C. 20515
ATTN: Rod Moore

Mr. John Everett, Director
Fisheries Development Division
National Marine Fisheries Service, NOAA
3300 Whitehaven Street N.W.
Washington, D.C. 20235

Ms. Christine Dawson
Commerce Committee
126 Russell Senate Office Building
Washington, D.C. 20510

Dr. Gene Wunderlich
Senior Agricultural Economist
Economics, Statistics and Cooperative Service
G.H.I. Building, Room 402
500 - 12th Street S.W.
Washington, D.C. 20250

Mssrs. George K~~u~~er and James Bonkamp
Bureau of Economic Analysis, Room 1518
U.S. Department of Commerce
441 G Street N.W.
Washington, D.C. 20230

Mr. Michael Grable, Chief
Financial Services Division
3300 Whitehaven Street N.W.
Washington, D.C. 20235

Mrs. Virginia O'Brien, Director
Division of Foreign Costs
M-731, Room 4868
Commerce Building
Washington, D.C. 20230

Mrs. Ruth D. Appleton, Chief
Office of Tender Offers and Acquisitions
Securities and Exchange Commission
500 North Capitol Street
Washington, D.C. 20549

Ten (10) copies to:

Frank Orth & Associates, Inc.
225 - 108th Avenue N.E., Suite 311
Bellevue, Washington 98004

FRANK ORTH & ASSOCIATES

Economic and Business Consultants • 225 108th Ave. N.E., Suite 311, Bellevue WA 98004 • (206) 455-3507

February 22, 1980

TO: Representative Fred Zharoff
FROM: Peter Rogers *PR*
SUBJECT: Request for copies of "Foreign Investment in the Alaska Seafood Industry"

In the past few weeks, we have received three additional requests for the report. Please send one copy to each of the following persons:

Dr. James Bray
Division of Marine Resources
3716 Brooklyn Avenue Northeast
Seattle, Washington 98105

Mr. Roger W. Johnson
216 First Avenue South
260 Grand Central on the Park
Seattle, Washington 98104

Dr. Robert L. Stokes
Institute for Marine Studies
University of Washington, HA-35
3731 University Way Northeast
Seattle, Washington 98105

Thank you in advance for your cooperation in this matter.

PWR:kh

*Fred
This looks good
as far as I am
B. Miller*

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disclosure of alien affiliates
7 in Alaska businesses; and providing for an effective
8 date."

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

10 * Section 1. AS 10.05.250 is amended to read:

11 Sec. 10.05.250. REORGANIZATION; DISCLOSURE OF ALIEN AFFILIATES
12 [INTERESTS]. Not less than 20 days before the consummation of a corpo-
13 rate reorganization the corporation which is to survive or control shall
14 deliver to the commissioner the following information:

15 (1) a list of the names and addresses of each alien affiliate
16 of the surviving corporation [WHICH IS A NONRESIDENT ALIEN OR CORPORA-
17 TION WHOSE PLACE OF INCORPORATION IS OUTSIDE THE UNITED STATES, AND];

18 (2) the percentage of outstanding shares controlled by each
19 alien affiliate; and

20 (3) a specific description of the nature of the affiliation
21 between the surviving or controlling corporation and its alien affiliate

22 * Sec. 2. AS 10.05.255(a)(3) is amended to read:

23 (3) the purpose or purposes for which the corporation is
24 organized and the code number from the identification code established
25 under AS 10.05.703 which most closely describes the activity in which
26 the corporation will initially engage;

27 * Sec. 3. AS 10.05.255(a)(13) is amended to read:

28 (13) the name and address of each alien affiliate and a speci-
29 fic description of the nature of the affiliation between the corporation

1 and its alien affiliate [WHICH IS A NONRESIDENT ALIEN OR A CORPORATION
2 WHOSE PLACE OF INCORPORATION IS OUTSIDE THE UNITED STATES].

3 * Sec. 4. AS 10.05.519(a)(1) is amended to read:

4 (1) the corporation is delinquent three [SIX] months in
5 filing its annual report or in paying a license filing fee or penalty;

6 * Sec. 5. AS 10.05.519(a) is amended by adding a new paragraph to read:

7 (6) a misrepresentation of a material matter has been made in
8 an application, report, affidavit, or other document submitted under
9 this chapter.

10 * Sec. 6. AS 10.05.615(5) is amended to read:

11 (5) the purpose the corporation proposes to pursue in the
12 transaction of business in the state and the code number from the iden-
13 tification code established under AS 10.05.703 which most closely de-
14 scribes the activity in which the corporation will engage in the state;

15 * Sec. 7. AS 10.05.615(12) is amended to read:

16 (12) the name and address of each alien affiliate, [WHICH IS A
17 NONRESIDENT ALIEN OR A CORPORATION WHOSE PLACE OF INCORPORATION IS
18 OUTSIDE THE UNITED STATES AND] the percentage of outstanding shares
19 controlled by each alien affiliate, and a specific description of the
20 nature of the affiliation between the foreign corporation and its alien
21 affiliate; [.]

22 * Sec. 8. AS 10.05.702(3) is amended to read:

23 (3) a brief statement of the character of the business in
24 which the corporation is engaged in the state and the code number from
25 the identification code established under AS 10.05.703 which most
26 closely describes the activity in which the corporation is engaged in
27 the state;

28 * Sec. 9. AS 10.05.702(8) is amended to read:

29 (8) the name and address of each alien affiliate, [WHICH IS A

1 NONRESIDENT ALIEN OR A CORPORATION WHOSE PLACE OF INCORPORATION IS
2 OUTSIDE THE UNITED STATES AND] the percentage of outstanding shares
3 controlled by each alien affiliate, and a specific description of the
4 nature of the affiliation between the corporation and its alien affi-
5 liates; [.]

6 * Sec. 10. AS 10.05 is amended by adding new sections to read:

7 Sec. 10.05.700. STOCKHOLDER REPORTS. A domestic corporation or
8 foreign corporation which publishes a report to its stockholders shall
9 submit a copy of its most recent stockholder report with the annual
10 report required in AS 10.05.699.

11 Sec. 10.05.703. IDENTIFICATION CODE. The commissioner of commerce
12 and economic development and the commissioner of revenue shall jointly
13 establish, adopt and publish a numerically coded list of business acti-
14 vities and shall make the list available to the public.

15 * Sec. 11. AS 10.05.771 is amended to read:

16 Sec. 10.05.771. PENALTY FOR FAILURE TO FILE ANNUAL REPORT. Each
17 domestic or foreign corporation that fails or refuses to file its annual
18 report within the time set by this chapter is subject to a penalty of 10
19 percent of the amount of the franchise tax for each month that the
20 corporation fails or refuses to file the annual report. If the amount
21 of the franchise tax as originally assessed is adjusted in accordance
22 with this chapter, the amount of the penalty shall also be adjusted to
23 10 percent of the amount of the adjusted franchise tax for each month
24 the corporation fails or refuses to file the annual report. The amount
25 of the franchise tax and the amount of the penalty shall be separately
26 stated in a notice to the corporation.

27 * Sec. 12. AS 10.05.783 is amended to read:

28 Sec. 10.05.783. FAILURE TO ANSWER INTERROGATORIES. Each domestic
29 or foreign corporation that fails or refuses to answer truthfully and

1 fully within the time prescribed by this chapter interrogatories pro-
2 pounded by the commissioner in accordance with this chapter is guilty of
3 a misdemeanor [AND UPON CONVICTION MAY BE FINED IN AN AMOUNT NOT EX-
4 CEEDING \$500].

5 * Sec. 13. AS 10.05.786 is amended to read:

6 Sec. 10.05.786. PENALTIES IMPOSED UPON OFFICERS AND DIRECTORS.

7 Each officer and director of a domestic or foreign corporation who fails
8 or refuses within the time prescribed by this chapter to answer truth-
9 fully and fully interrogatories propounded to him by the commissioner in
10 accordance with this chapter, or who signs any articles, statement,
11 report, application or other document filed with the commissioner which
12 is known to the officer or director to be false in any material respect,
13 is guilty of a misdemeanor [, AND UPON CONVICTION MAY BE FINED IN AN
14 AMOUNT NOT EXCEEDING \$500].

15 * Sec. 14. AS 10.05.825(18) is repealed and re-enacted to read:

16 (18) "affiliate" includes but is not limited to

17 (A) a person directly or indirectly owning, controlling
18 or holding with power to vote, five percent or more of the out-
19 standing securities of a person subject to this chapter;

20 (B) a person five percent or more of whose outstanding
21 securities are directly or indirectly owned, controlled, or held
22 with power to vote by a person subject to this chapter;

23 (C) a person directly or indirectly controlling, con-
24 trolled by, or under common control with, a person subject to this
25 chapter;

26 (D) a director, officer, or partner of a person subject
27 to this chapter; or

28 (E) a person under whose name business is transacted by
29 another person who is subject to this chapter;

1 * Sec. 15. AS 10.05.825(20) is amended to read:

2 (20) "person" means an individual, a corporation, a partner-
3 ship, an association, a joint-stock company, a joint venture, a com-
4 pany, a firm, a society, an estate, a trust where the interests of the
5 beneficiaries are evidenced by a security, an unincorporated organiza-
6 tion, a government, or a political subdivision of a government;

7 * Sec. 16. AS 10.05.825 is amended by adding new paragraphs to read:

8 (22) "alien" means

9 (A) an individual who is not a citizen or national of
10 the United States, or who is not lawfully admitted to the United
11 States for permanent residence, or paroled into the United States
12 under the Immigration and Nationality Act (8 U.S.C. secs. 1101 -
13 1503), as amended; or

14 (B) a person, other than an individual, that was not
15 created or organized under the laws of the United States, or whose
16 principal place of business is not located in any state;

17 (23) "state" means any of the United States, the District of
18 Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands,
19 Guam, the Virgin Islands, American Samoa, the Trust Territory of the
20 Pacific Islands, or any other territory or possession of the United
21 States.

22 * Sec. 17. This Act takes effect January 1, 1981.
23
24
25
26
27
28
29

Request for
Special Interim
Committee on
FOREIGN INVESTMENTS

REPRESENTATIVE
FRED F. ZHAROFF
P.O. Box 408
KODIAK, ALASKA 99518
(907) 486-8254



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-4986
465-4981

House of Representatives

DISTRICT 14:

MEMORANDUM

BELLEPLATE
CHINIAK
KODIAK
OUZINKIE

To: Representative Terry Gardiner, Speaker of the House
From: Representative Fred F. Zharoff *FZ*
Re: Foreign investment

As discussed with you earlier this session, I would like to request an interim committee for the study of foreign investment and involvement in Alaska business. Because the involvement may be quite extensive, it is my goal to focus primarily on foreign involvement as it pertains to fisheries with preliminary investigation into other Alaskan resources, i.e. timber and land.

The study will focus on three (3) main areas. These are the three (3) major areas of concern with me:

1. Ownership: Identifying all fisheries and processing related companies owned or controlled by foreign countries.
2. Alaska's Corporate Disclosure Law: This section of the study would point out discrepancies in the Alaska Disclosure Law, focusing on information or lack of information, the time frame in which such information is gathered or requested by the State, the utilization of such information, ect.
3. Bottom fisheries involvement: This is important in respect to the quota system. Does foreign involvement in Alaska's processing industries create an incentive, or does it create obstacles or barriers for bottom fisheries development?

This committee, if funded, would be a sub-committee of the Special Interim Committee on Bottom Fisheries, all of which would fall under the guidance of the House Resources Committee. I have discussed this with Alvin Osterback and Frank Orth, Bottom Fisheries Committee Consultant, and they anticipate no problems. The findings of the Foreign Investment Study Committee will, in the end, be coordinated with the Bottom Fisheries Committee.

I have also talked with Pat Dougherty and he is assisting me in this venture. Because of his background in this area and the information he has compiled previously, I request that he be appointed the Administrative Aide to this special committee. I have a good deal of confidence in him and I feel that because our views are compatible he would do a good job.

Enclosed please find:

1. Budget
2. Budget Narrative
3. Memo from Pat Dougherty regarding a foreign investment study
4. H.B. 87 (present status)
5. HCR 1 (present status)
6. Proposed committee member list

Thank you for your consideration.

April 9

MEMO

To: Rep. Fred Zharoff

From: W.P. Dougherty

Subject: Budget for foreign investment study

B U D G E T

I. Professional Services

Project manager: 166 hours at \$40	\$6,640
Principal researcher: 1,000 hours at \$25	\$25,000
Economic analyst: 330 hours at \$25	<u>\$8,250</u>
	\$39,890 Subtotal

II. Direct Costs

Legal services subcontract: 43 hours at \$70	\$3,010
Communications:	\$2,000
Report preparation:	\$500
Secretarial services: 100 hours at \$12	\$1,200
Fees and contingency:	<u>\$5,200</u>
	\$11,910 Subtotal

(more)

III. Travel and Per Diem

Seattle-Juneau travel

\$207 x four trips (plane fare)	\$828
\$60/day x seven days x four trips (expenses)	\$1,800
\$32/day x seven days x four trips (car rental)	<u>\$896</u>
	\$3,524

Juneau-Washington, D.C. travel

\$524 x two trips (plane fare)	\$1,048
\$60/day x seven days x two trips (expenses)	\$840
\$37/day x seven days x two trips (car rental)	<u>\$518</u>
	\$2,406

Subtotal \$5,930

I. \$39,890

II. \$11,910

III. \$5,930

\$57,230 Total

BUDGET NARRATIVE

I. PROFESSIONAL SERVICES

The project requires a manager who will be responsible for developing a detailed work plan and schedule for performance, coordinate the activities of the researchers, administer the project funds, report to the client group on the progress of the project, oversee preparation of the final report, and conduct overall review of the work of project participants.

A principal researcher will handle the bulk of the research and investigation for Parts I and II of the study. This includes locating and identifying the processing and fishery-related companies owned or controlled, directly or indirectly, by Japanese corporations. Research will involve a search of Alaska corporate records, SEC filings and other documents, as well as interviews with processors and various industry contacts. The principal researcher also will investigate the state's corporate disclosure policy with several questions in mind: Are the disclosure statutes properly and efficiently enforced? Are data compiled in usable forms? Are they compiled in a timely fashion? How could the information be compiled otherwise, and at what cost? What changes or adjustments would be most desirable from the state's point of view?

The economic analyst will review the recent economic decisions of the state's processors in an effort to determine whether there is a pattern of investment contrary to the goal of a prospering American bottomfish industry. The analyst will design the appropriate research methodology and assess and interpret the results.

II. DIRECT COSTS

The legal services subcontract provides for a legal analysis of the state's disclosure statutes and privacy restrictions. It would attempt to expose loopholes or gaps in the present statutes that thwart the legislative intent of public scrutiny of economic trends and developments. It would assess the effectiveness of current penalties for non-compliance with the law.

(more)

Communications represents the cost of close coordination between an office in Juneau and one in Seattle. It would cover long distance toll charges, delivery services such as Goldstreak, postage, copying, office supplies, and possibly office or equipment rental.

Report preparation includes the cost of reproducing, proofreading, collating, binding and designing the number of copies desired by the client (perhaps 25 - 50).

Secretarial services refers almost exclusively to typing needs. Project demands would include correspondence, memoranda, and preparation of a draft and final report.

Fees and contingency amounts to a percentage (10%) of the total project cost which is charged as compensation for the investment of capital and assumption of commercial risks associated with management of the project. (Essentially this is one form of billing. Some other firms will accomplish the same profit mark-up through a higher charge rate for professional services. It reflects a charge comparable with other firms with like backgrounds and qualifications for similar work.)

III. TRAVEL AND PER DIEM

The two principal points of interest for this study are Juneau, where many of the records and other sources are located, and the Seattle-Olympia area, where the Alaska fishing industry is headquartered and many of the other records are kept. This cost represents the exploitation of all these sources of information as well as allowing for the close coordination of offices in both locales. Possibly by combining Seattle-Juneau travel needs for this project with those of other developing projects, this budget item can be held to a minimum.

A trip to Washington, D.C., by the principal researcher and the project manager is desirable because it would permit the coordination of this project with work being conducted out of the offices of the Alaska congressional delegation. There also are benefits to be reaped by interaction with those federal agencies with oversight responsibilities in the area of foreign investment. (This is particularly true of the Department of Commerce, which has studied foreign investment in the fishing industry, specifically, in the recent past.)



April 9

MEMO

To: Rep. Fred Zharoff

From: W. P. Dougherty

Subject: The foreign investment study

As we discussed Saturday, a study of this nature is long overdue. Japan's influence over the fisheries of Alaska is well known but almost totally unexamined. In the instance of the Alaska fishing industry, the state has a critical need to understand the role of the Japanese in the processing industry before embarking upon a grand program to foster an American bottomfishery. In addition, recent revelations concerning the use and non-use of the state's progressive corporate disclosure laws underscore the helplessness of the state in trying to determine trends in its own economy when such business data are either not available, or not available in a usable form.

In accordance with the guidance you gave me, I will outline here my suggestion for a three-part study costing between \$45,000 and \$50,000.

PART I. Who owns what?

As a starting place, I suggest that we locate and identify all those processing and fishery-related companies that are owned or controlled, directly or indirectly, by the Japanese. This would involve a search of Alaska corporate records, SEC filings and other documents, as well as interviewing processors and

other contacts. I would need to travel to Seattle-Olympia for review of Washington state records and interviews since so much of the Alaska processing industry ultimately resides in Washington. This investigation would provide the state with the only current, specific picture of the way the industry is structured, including the relationships between companies. The cost for Part I would be about \$10,000. I would do almost all of the work, with assistance and review by Dr. Frank Orth of Seattle.

PART II. Alaska's corporate disclosure law. How are data compiled, and how are they used?

This is the heart of the study. It is the foundation for the future understanding of industry in the state of Alaska. If the state is ever to put itself on a solid footing from which it can scrutinize and guide development in Alaska, an accurate, timely compilation of relevant corporate data is absolutely essential. As you know, at present, the state's disclosure statutes are enforced laxly, if at all. Data are compiled in unusable forms, and often so tardily that they are virtually worthless. This portion of the study would examine what is being done now, what could be done and at what cost, and what would be optimally desirable from the state's point of view. We would want to study the degree to which information is related and yet held separately by, for example, the Department of Fish & Game, the Department of Revenue, the Department of Commerce and the Department of Labor. The aim would be to reduce the number of instances in which the left hand doesn't know what the right is doing. We would subcontract for a legal analysis of the disclosure statutes and privacy restrictions to determine the degree to which the state handicaps itself in trying to understand current trends in an industry such as fishing. The cost for this portion of the study would be roughly \$25,000,

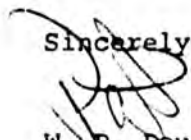
with the work to be performed cooperatively by Frank Orth and myself.

PART III. Analysis of the role of foreign investment on bottomfish investment decisions of domestic processors.

This long-overdue study would attempt to determine whether the investment decisions of Japanese-invested processors are calculated to retard or in any way hamper development of a domestic bottomfish industry. It is clear that the Japanese have a vested interest in protecting their industry by opposing, or at the least not helping, an American bottomfishery. So far no one has looked at their use of capital to determine if they are actually engaged in some form of economic subterfuge. Arthur D. Little Co., for example, completely ignored this question in its recent study for the administration. Obviously, since the companies are unwilling to discuss this matter forthrightly with the state or its representatives, it will be necessary to review their recent economic decisions in an effort to note a pattern of investment contrary to the goal of a growing bottomfish industry. Frank Orth would design a research methodology and use it to complete this analysis. The cost would be about \$10,000. I would lend my assistance where needed, as well as reviewing this part of the study.

I hope this overview is helpful to you in envisioning the scope and value of such a study. If additional details would be helpful, please don't hesitate to contact me.

Sincerely,


W. P. Dougherty

Introduced: 1/29/79
Referred: Resources

Funding Information
General Fund \$43,000
Other Funds -0-
\$43,000

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Interim
Committee on Bottomfish)

IN THE HOUSE

HOUSE BILL NO. 87

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Legislative Council for the purpose of conducting a study relating to the extent of foreign investment in Alaska's fisheries; and providing for an effective date."

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

* Section 1. The sum of \$43,000 is appropriated from the general fund to the Legislative Council for the purpose of conducting a study relating to the extent of foreign investment in Alaska's fisheries.

* Sec. 2. The unexpended and unobligated portion of this appropriation lapses into the general fund June 30, 1980.

* Sec. 3. This Act takes effect July 1, 1979.

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Interim
Committee on Bottomfish)

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 1

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Directing the Legislative Council to
6 conduct a study relating to the ex-
7 tent of foreign investment in
8 Alaska's fisheries.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS the fishing industry is one of Alaska's principal businesses;
11 and

12 WHEREAS the extent of foreign control over Alaska's fisheries has not
13 been accurately determined; and

14 WHEREAS extensive foreign investment in Alaska's fisheries could have a
15 strong impact on issues which are important to the state, including local
16 employment, tax revenue, bottomfish development and marketing, and others;

17 BE IT RESOLVED by the Alaska State Legislature that under provisions of
18 AS 24.20.090 and Uniform Rule 48(c) the Legislative Council is directed to
19 conduct a study for the purpose of determining:

20 (1) the percentage of total annual seafood harvests within the
21 200-mile fishery conservation zone off the coast of Alaska harvested by
22 fishermen wholly or partly financed by foreign investors;

23 (2) the percentage of total annual seafood production in the state
24 produced by processors which are wholly or partly owned by foreign investors;

25 (3) the percentage of total ownership of seafood processors in the
26 state owned by foreign investors.

27 For the purposes of the study, "foreign investors" includes any alien
28 individual, corporation, partnership, association, joint stock company,
29 trust, unincorporated organization, government subdivision or government that

1 directly, or indirectly through one or more intermediaries, invests in, lends
2 money to, controls or is under common control with a seafood processor or
3 fisherman doing business in the state.
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

INTERIM COMMITTEE ON FOREIGN INVESTMENT

Professional Services:

Project manager: Frank Orth

Principal researcher (Admin. Aide): W.P. "Pat" Dougherty

Economic Analyst: Open

Committee Members:

Representative Fred F. Zharoff

Representative Alvin Osterback

Representative Richard Eliason

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

SCOMM

#29:6

*FILE
Fisheries*

January 28, 1981

Blake W. Kinnear
P.O. Box 2743
Kodiak, Alaska 99615

TO WHOM IT MAY CONCERN:

This letter has been provoked by the need to document my gear conflict with the Polish trawl fleet that operated in Alaskan waters near Chirikof Island in the fall and early winter of the preceding two years. They have huge ocean going factories, targeting on cod and pollock, but are capable of catching anything. I run a 96', nine year old, American built and expensively remodeled combination boat.

My favorite king crab grounds are also very rich in various types of groundfish. In 1979 the Polish fleet discovered this and moved into the area in force. Heavy tidal currents commonly hold my crab marker bouys under water at least 40% of the time. The polish fleet is not equipped with lights, even if the bouys had been on the surface. My gear was soon in disarray, out of position and 16 pots missing. After frantic appeal to the Coast Guard and other government agencies, it became clear that nothing could be done until 1980. I had to abandon the grounds, and my season was totally ruined.

This past fall I thought things would be straightened out. After all, a years time should be enough. But, as I was setting my gear, the Polish trawler Carnela steamed right across my bow. He wouldn't answer my radio calls on various channels, but only sounded his horn. He expected my to get out of his way! I bluffed him into turning around and defended my gear. It was only temporarily successful, since I was soon missing five more pots. The Coast Guard to whom I appealed for help, informed me that the Polish have a perfect right to fish in the area, and that I was wrong to have manuvered with them in defense of my gear!

The media picked up this story, I made contact with my representatives and received support from local government, and this community. The Polish government requested their own trawlers to leave, which they did. Because of this voluntary action, I

was able to salvage a good season. But they, or others will be back next year unless we can work out the red tape in time. Meanwhile...I am supposed to get compensation for some \$16,000.00 worth of gear lost in the past two years by applying to some "appropriate fund," with proper documentation (photos if possible)..

Now, let me digress. I don't represent any powerful special interest groups. I don't have money to donate to political causes. I am trying to establish my family in a time of economic stress and uncertainty. My 12 week old daughter, Emileigh, is a second generation Alaskan. All I've ever wanted to do is to make my living fishing. I'd fish for anything that would make a good pay load. If I can live my life without interference, I'll do alright and still pay gruelling taxes, I've proved that for some years now.

There IS interference and there are obstacles that I don't seem to have control of. My home waters have never been more than a bargaining chip in the State Department's world view. I have two degrees from the University of Washington, in Marine Oceanography and Zoology. I will say right now that the administration of these waters by my government has never been undertaken with a view to utilizing the resources as an interrelated system. This must be done. We must use this valuable asset, and incredibly rich waters, wisely in the decades ahead. The King Crab fishery is the only bright spot for management, so far, and that is only a single species program. Their success depends on local management, and a fair degree of cooperation between certain persons in the program and the skippers of the fleet. Now there is an attempt by interests who have come here to fish from other states to undermine even that one successful program by transferring the control to faceless federal bureaucrats. Yes, I am full of digressions.

The point is that valuable resources are harvested in a basically unsupervised manner by large fleets of foreigners, including the Polish. We Alaskan fishermen are subject to the most stringent limits on our fishing. Management has the right to tell us to stop any time, frequently on a matter of a few hours notice. Contrasting with this, it has taken two full years to even close certain grounds, at certain times, to avoid gear conflicts during crab season. And, this matter is not settled yet.

Meanwhile, fish are harvested by these large fleets and actually sold on the American market, in many cases, with all the profit going to other countries. They have no thought for tomorrow, do not care if they overfish species, and are known to commit offenses at every opportunity. Yet, they fish mostly without American observers aboard.

I believe they have badly damaged certain stocks of fish and begun a series of oscillations in our ecosystem, that may permanently destroy its productivity if the trend is not soon reversed. I would be a better person to harvest these stocks. I would have a care for this land and its resources that these Polish, Japanese or Russians can never have. They laugh at us as they rape our waters and sell the fish on a vast international market, including our own country. Another decade and they will have ruined the grounds and moved on heedlessly.

You may have thought the 200 mile limit makes it possible for me to get a share of this quota? Not really. Our markets are flooded with a cheap product, the international fish companies will not give way to make room for us. Initially, our small boats can not compete with the more efficient factory ships, subsidized by governments to turn out a mass product at minimum prices. We need to turn out a different, higher quality product more individually oriented. But, we must create the demand for our product by taking control of our own resources first. That would strengthen our position enough to get started. Joint ventures with large foreign companies are an option that forces us into their price structures, our relative inefficiency becomes manifest, and they bargain for rights to catch the fish themselves.

The offshore oil and gas leasing program creates further interference. The plan is to develop large offshore tracts, right on the fishing grounds, including Shelikof Straits, which is a prime influence on the productivity of the whole system. The government tried last year to push through leases on the east side of Kodiak. I read the impact statement, which convinced me that bureaucrats are willing to trade my livelihood for 25 years of limited hydrocarbon development. Their best estimate is that at least one major spill projected would cause about 10% reduction in resource levels. I totally disagree, and furthermore state that it wasn't a scientific study at all. They gave no explanation of how they arrived at such a convenient

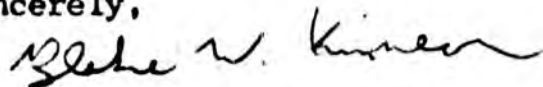
low and uniform reduction in harvest levels of all species. They resorted to political arguments, saying, that the U.S. needs this program to be self sufficient in energy and any delays would hurt our country. Meanwhile, they have locked up vast tracts of onshore reserves that could be drilled and tapped safely with present technology. That was to satisfy the "environmentalists." I say, drill safely above all. Go for the land now, and wait for the offshore drilling until ways have been developed to cope with constant storms, and heavy tidal current. Shelikof Straits has some of the worst sea conditions in the state. This is what would make sense, and preserve the food resource too. But I digress.

This letter is to answer requests for documentation of my claims. The Poles ruined my fishing season last year by driving me off the grounds and costing me invaluable fishing time as well as crab pots. I would have to disclose my secret fishing spots, make them public knowledge, in order to provide the logbook documentation of my gear loss. I am not willing to do that. I resent the fact that my legitimate claims for pots lost in gear conflicts will not be met. Yet, my tax money went to pay for thousands of pots lost by our fleet in the Bering Sea last year because of natural ice conditions.

I won't be a party to such games and I won't give out logbook information. If this is not documentation enough to help keep the Polish out of our resources, then I guess I am just out of luck. I'd like to catch and market the fish at a fair price. The important thing is to keep control of our waters and their productivity. Crab pots are only secondary.

The foreign fishermen have the full support of their respective countries. If I can't get some kind of minimal help for my problems from my own government, I'd at least like to know why. This situation doesn't make sense to me. and I feel the least my country owes me is an explanation.

Sincerely,



Blake W. Kinnear
Skipper F/V Lin-J

May 7, 1981

Mr. Nick Szabo, Chairman
Alaska Board of Fisheries
P.O. Box 1633
Kodiak, AK 99615

Dear Mr. Szabo:

Thank you for your letter and enclosures relative to the high seas interception of western Alaska chinook salmon. As you know, this has been of great concern to the Governor and members of his Administration. Our concerns have been voiced in strong terms both to members of Japan's Fishery Agency and fishing industry and to our Congressional delegation.

The Governor only introduces resolutions in very rare and specific cases as resolutions are generally considered to be the prerogative of the Legislature. Thus, I will be pleased to provide copies of your proposed resolution to members of both bodies of the Legislature with the hope that a member will introduce such.

Should you have any questions regarding this, please feel free to contact me.

Sincerely,

Keith W. Specking
Legislative Assistant
to the Governor

cc: Commissioner Skoog, Department of Fish and Game
bcc: Senator Richard Eliason
Senator Bob Mulcahy
Senator Bettye Fahrenkamp
Representative Terry Gardiner
Representative Fred Zharoff
Representative Tony Vaska
w/resolution and backup

**ALASKA BOARD OF FISHERIES
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
ALASKA STATE LEGISLATURE**

**REGARDING HIGH SEAS INTERCEPTION OF
WESTERN ALASKA CHINOOK SALMON**

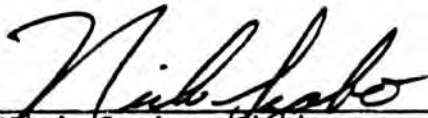
- WHEREAS, the Magnuson Fishery Conservation and Management Act of 1976 reserves to United States fishermen all of the harvestable surplus of fisheries resources when the surplus can be taken by domestic fishermen; and
- WHEREAS, the existing domestic fisheries have the capacity to harvest all potential chinook salmon stocks of Alaskan origin; and
- WHEREAS, the commercial and subsistence fishermen of Western Alaska are dependent on chinook salmon resources as one of the mainstays of their economy and livelihood; and
- WHEREAS, chinook salmon stocks in Alaska are also of primary importance to the expanding recreational fisheries of Western Alaska; and
- WHEREAS, the estimated foreign interception of Western Alaska chinook by the Japanese mothership salmon and Bering Sea trawl fisheries for 1980 is 500,000 fish; and
- WHEREAS, the unreported high sea gillnet dropout may add substantially to the documented interception of Western Alaska chinook salmon; and
- WHEREAS, impact on Gulf of Alaska chinook stocks by Gulf of Alaska trawl and Japanese landbased gillnet catches are unknown; and
- WHEREAS, interceptions of this magnitude on mixed stocks of immature salmon on the high seas adversely impacts the State's ability to assure the conservation and sustained yield of these stocks; and
- WHEREAS, chinook salmon harvests by foreign fisheries on the high seas are still unacceptably high despite regulations of the International North Pacific Fisheries Commission and measures enacted under the Magnuson Fishery Conservation and Management Act of 1976; and
- WHEREAS, it is imperative that the cumulative effect of these interceptions be understood and reduced or eliminated insofar as possible; and

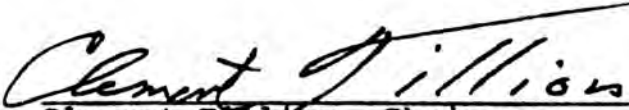
WHEREAS, jurisdiction for management of these fisheries is shared by the North Pacific Fishery Management Council, the International North Pacific Fisheries Commission, and the State of Alaska;

NOW THEREFORE BE IT RESOLVED that all parties take appropriate management measures to mandate the reduction of Alaskan chinook salmon interceptions by all foreign offshore fisheries to acceptable levels.

NOW THEREFORE BE IT RESOLVED that the parties to this resolution request that the Japanese government and fishing industry develop and apply appropriate modifications to their high seas salmon fishing operations that result in significant reductions in their interceptions of Alaska chinook salmon.

BE IT FURTHER RESOLVED that the Federal Government through both the North Pacific Fishery Management Council and International North Pacific Fisheries Commission support research to determine the continent of origin of chinook salmon taken in the Japanese landbased drift net and the foreign Gulf of Alaska trawl fisheries, to improve the understanding of the impacts on Alaskan chinook salmon stock interceptions by the Japanese mothership fishery and foreign Bering Sea trawl fisheries.


Nick Szabo, Chairman
Board of Fisheries


Clement Tillion, Chairman
North Pacific Fishery
Management Council

Jim Duncan, Speaker of House
Alaska State Legislature

Jalmar Kerttula, President of
Senate
Alaska State Legislature

BACKGROUND: JAPANESE HIGH SEAS

SALMON INTERCEPTION ISSUE

MARCH 1981

**Alaska Department of Fish and Game
Division of Commercial Fisheries
Subport Building, Juneau, Alaska**

BACKGROUND: JAPANESE HIGH SEAS SALMON INTERCEPTION ISSUE

The renegotiation of INPFC resulted in a revised treaty that significantly changed the fishing patterns of the Japanese high seas mothership and land based fisheries. Figures 1 and 2 illustrate the changed area and its comparison with what the mothership fishing area used to be. The Japanese are allowed to fish inside of our Fisheries Conservation Zone west of 175° East longitude during times when North American salmon are thought to be in low abundance. During the 1978, '79, and '80 seasons approximately two-thirds of the total mothership catch was taken while fishing in our zone, so the importance of this concession to their fishery is evident. In exchange for fishing in our zone the Japanese voluntarily agreed to restrict some of their activities outside of our zone, notably the land based gill net and mothership fisheries pulled back from 175° West to 175° East longitude south of our zone and the mothership fishery in the Central Bering Sea agreed to limit its effort to a level approximately one-half that experienced in the mid-1960's when Western Alaskan chinook interceptions in this area were unacceptably high.

The renegotiated treaty has had an extremely beneficial effect in terms of Western Alaska sockeye runs. The harvest of Western Alaska maturing sockeye has averaged only 111,000 fish for the last three years compared to about a 2 million average during the previous 22 years. In 1980, a peak year of the Bristol Bay cycle, only 180,000 maturing Bristol Bay sockeye were taken compared to 3.5 to 6 million taken in previous years of peak abundance. Immature harvest has remained the same at about 400,000 fish per year average. It was also felt that the overall reduction in fishing area, coupled with the effort limitations in the Central Bering Sea, would effectively limit their interceptions of Western Alaskan chinook. As you can see from Table 1, the relatively low harvest in 1978 and '79 seemed to support this.

The final Japanese high seas salmon mothership catch of chinook in 1980 was approximately 704,000 fish, the highest since the inception of the mothership fishery in 1952, and the second highest estimated interception of Western Alaska chinook. Unreported dead loss from the gill nets may amount to as much as one third of the total catch. The National Marine Fisheries Service estimates that some 388,000 of these were destined for Western Alaska. In the opinion of our State scientists the estimate of interception may be conservative. Be that as it may, the number is unacceptably high and in fact is higher than the average inshore harvest in Western Alaska by both our commercial and subsistence fishermen. These numbers in comparison with previous years' catches and inshore harvests are shown in Table 1 of the enclosures, which are intended to provide you with the necessary background on this fishery problem.

In 1980 the effort expended by the mothership fishery in the Central Bering Sea about doubled from the previous year, although it was still less than the treaty ceiling. Approximately 60 percent of their total chinook catch was taken out of the Central Bering Sea, and of the estimated interceptions 74 percent were taken in the Central Bering Sea.

This, however, is not the total picture regarding impacts on our stocks. Table 1 also shows groundfish trawl estimated interception of Western Alaskan chinook that has varied between 39,000 and 110,000 fish per year for the last four years. That would bring the total known interceptions to nearly half a million fish in 1980. Estimates of trawl interception for previous years do not exist. The North Pacific Fishery Management Council has been wrestling with methods to reduce this trawl interception level and it should be an item of discussion at the forthcoming Council meeting in Anchorage in late March.

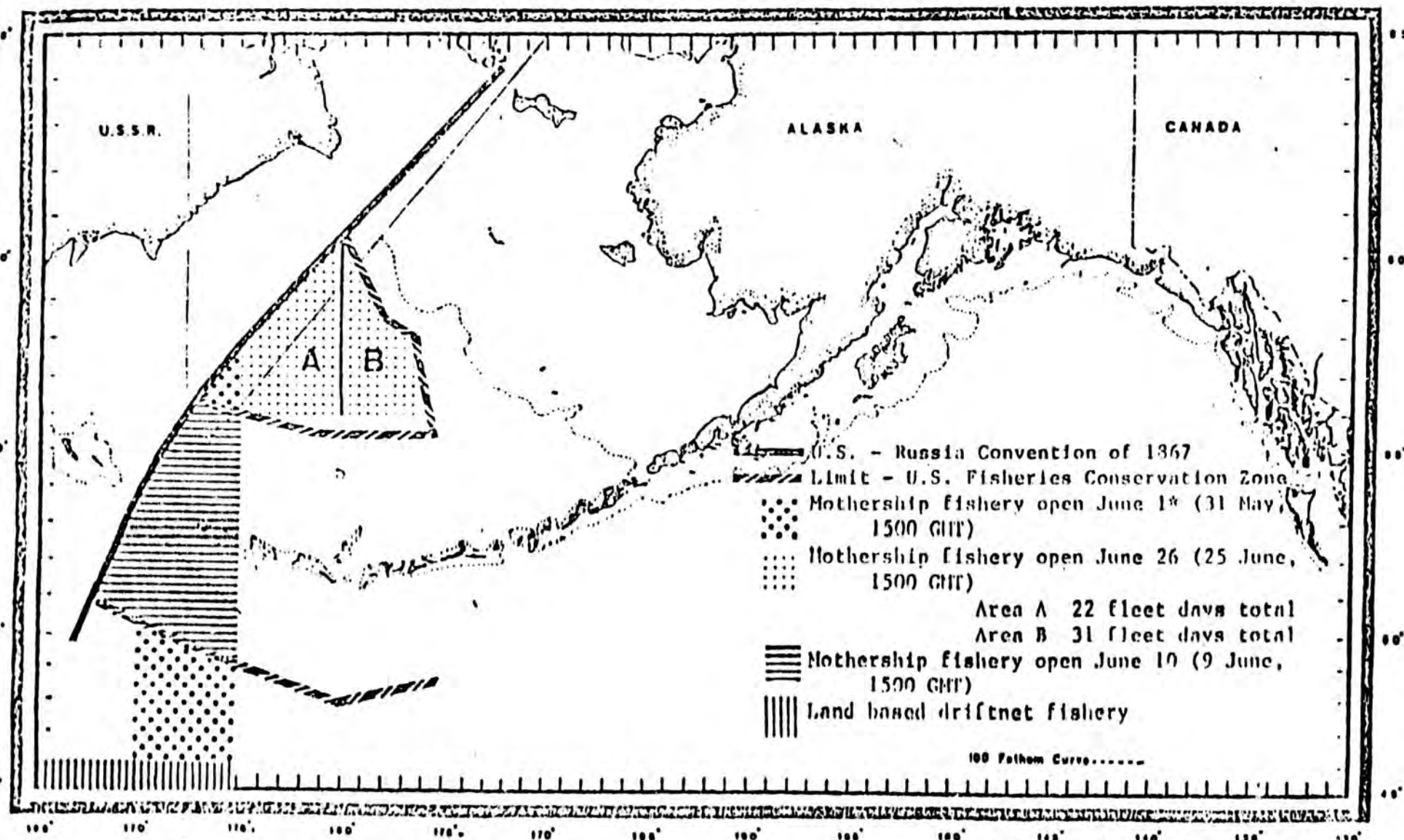
This is still not the total picture of potential impact on Western Alaskan chinook. Chinook salmon are also taken in the Japanese land based fishery to the south of the mothership fishery and in the Gulf of Alaska trawl fishery. Chinook salmon catches in the land based fishery

In recent years have varied from approximately 100,000 to 200,000 chinook, averaging somewhere around 160,000 chinook per year (Table 2). Estimates of Western Alaskan chinook present in the mothership fishery at its southernmost extremes still range around 30 percent, so it seems reasonable that the land based fishery just to the south of this must be taking some percentage of Western Alaskan chinook. We have no estimates for the proportion of Western Alaskan chinook in the Gulf trawl fishery. Another factor that has still not been considered is the unreported dead loss due to dropout from gill nets on the high seas. In the case of maturing sockeye salmon this was estimated to be as much as one third of the total catch. We have no corresponding estimates for chinook, but it may be substantial. In sum, then, it seems possible that half of the total harvest of Western Alaskan chinook may be taken on the high seas as immature fish one or two years away from their inshore migration and weighing less than one third of the total weight they would have had they reached inshore waters.

While we can identify to some degree the proportion of Western Alaskan chinook occurring in part of this harvest, we have no way to separate it by river systems or more discrete stocks which, of course, form the basis for our assessment and management inshore. All these inshore systems are managed based on stock abundance and are closely regulated by emergency order openings and closures by the Alaska Department of Fish and Game. Most of these fisheries have experienced extreme reductions in fishing time due to increases in inshore effort to preserve the necessary brood stock. Obviously, the high rate of exploitation on the high seas on mixed stocks as immatures greatly endangers our management of these runs, as well as being a major reallocation away from domestic fishermen.

A table is also enclosed giving the percent by species taken by the mothership fishery east of 180° in the Central Bering Sea and illustrating the relatively small part of their total quota taken in this area.

Figure 1.
JAPANESE HIGH SEAS SALMON FISHERY
as governed by the
International Convention for the High Seas
Fisheries of the North Pacific Ocean
(INPFC)



* All opening dates in Japanese

Prepared by:
National Marine Fisheries Service
Law Enforcement

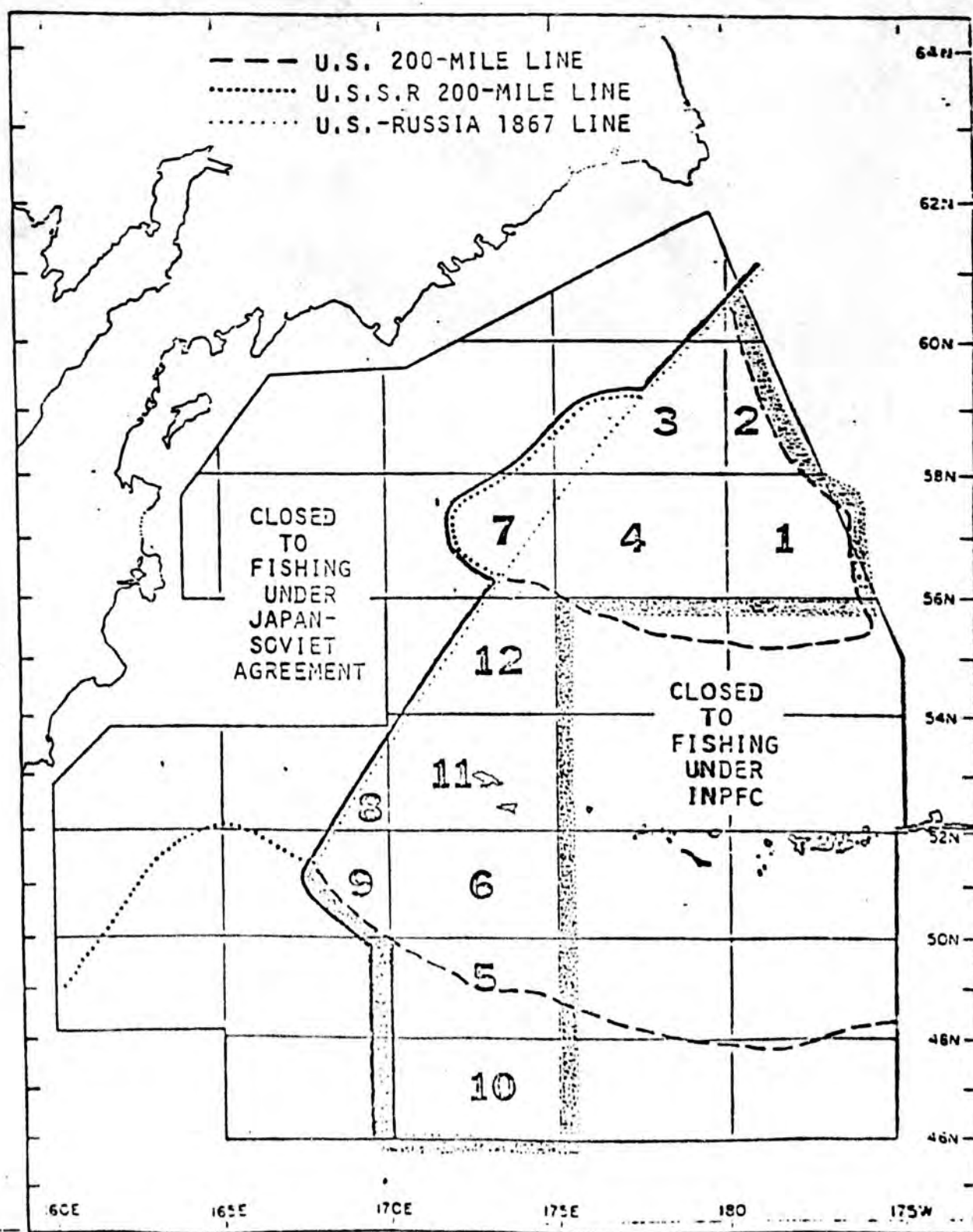


Figure 2. Post-1977 Japanese mothership salmon fishing area showing the rank order, from largest to smallest, of interceptions of western Alaska chinook salmon by 2° X 5° statistical area.

Table 1.

Estimated total catch in thousands of western Alaska and Canadian Yukon chinook salmon by the Japanese mothership fishery, foreign groundfish fisheries, and U.S. commercial and subsistence fisheries.

Year	Mothership ^a	Ground- ^b fish	Sub- total	Western Alaska ^c		Sub- total	Total
				Commercial	Subsistence		
1956	55.4	-	-	132.7	-	-	-
1957	15.2	-	-	158.4	-	-	-
1958	5.4	-	-	181.9	-	-	-
1959	27.8	-	-	195.1	-	-	-
1960	135.0	-	-	195.7	-	-	-
1961	13.9	-	-	243.1	-	-	-
1962	29.7	-	-	213.1	-	-	-
1963	40.8	-	-	208.1	66.2	274.3	315.1
1964	252.9	-	-	260.0	50.5	310.5	563.4
1965	105.5	-	-	263.0	52.9	315.8	421.3
1966	111.5	-	-	207.5	69.5	277.0	388.5
1967	69.8	-	-	284.0	81.9	365.9	435.7
1968	226.3	-	-	259.0	54.2	313.2	539.5
1969	435.2	-	-	287.6	65.2	352.9	788.1
1970	344.8	-	-	290.8	95.1	386.0	730.8
1971	143.6	-	-	283.2	73.8	357.1	500.7
1972	169.5	-	-	224.1	66.7	290.8	460.3
1973	47.0	-	-	177.4	69.7	247.1	294.1
1974	286.8	-	-	180.2	57.3	237.6	524.4
1975	109.2	-	-	126.2	77.2	203.3	312.5
1976	167.7	-	-	241.5	84.0	325.6	493.3
1977 ^d	64.5	43.5	108.0	296.1	84.1	380.2	488.2
1978 ^d	31.3	39.1	70.4	380.0	74.6	454.6	525.0
1979 ^d	65.0	100.4	165.4	412.0	99.3	511.3	676.7
1980 ^d	388.0	110.0	498.0	312.0	90.0	402.0	900.0

a Doc. 2344, estimates do not include dropouts.

b Docs. 2121, 2210, 2336 (assuming 100% of the catch is of western Alaska and Canadian Yukon origin).

c Doc. 2351

d Preliminary estimates for western Alaska inshore catch and the 1980 mothership catch.

Table 2.
North Pacific-Bering Sea foreign chinook harvest potential impact on western Alaska stocks
in thousands of fish.

Year	Foreign Offshore		Western Alaska inshore total	Inshore			
	Total catch ^{1/2/}	Known interceptions ^{2/}		Misc.	Kuskokwim	Yukon	Bristol Bay
1965	278	106	316	8	55	135	118
1966	320	112	277	11	80	105	81
1967	238	70	366	9	91	145	121
1968	450	226	313	5	78	119	111
1969	637	435	353	6	109	105	133
1970	533	345	386	10	136	93	147
1971	340	144	357	12	90	127	128
1972	364	170	291	5	100	111	75
1973	281	47	247	4	93	99	51
1974	547	287	238	6	61	115	56
1975	297	109	203	4	79	91	39
1976	484	168	326	9	110	103	104
1977	313	108	380	9	117	115	139
1978	374	70	455	25	102	127	201
1979	427	165	511	18	110	160	213
1980	994	508 (.57) ^{3/}	402	24	88	183	107
<u>Average</u>							
65-70	410	216 (.39)	335				
71-75	366	151 (.36)	267				
76-80	518	204 (.33)	415				

1/ Landbased, mothership, Gulf and Bering Sea trawl. Trawl fishery catches prior to 1977 are not available.

2/ Deadloss due to dropout not included.

3/ Preliminary trawl catch estimate 120 thousand - Bering Sea incidental catch.

Table 3.
Japanese Mothership Salmon Catch by Species and Effort in the
Central Bering Sea East of 180° Longitude, 1978-80

	1978 Number (%)	1979 Number (%)	1980 Number (%)
Sockeye	4,000 (1)	67,000 (3.1)	46,000 (1.9)
Chum	25,000 (1)	396,000 (12.1)	380,000 (12.3)
Pink	24,000 (1.3)	215,000 (5.3)	114,000 (20.3)
Coho	0	0	0
Chinook	2,000 (1.9)	32,000 (25.4)	218,000 (30.1)
Effort (1,000 tans)	20,000	156,000	272,000

High Seas Salmon Quota
Soviet - Japan Convention

1978-80

Mothership Quota	15,500 mt
Landbased Quota	20,600 mt
Japan Sea Quota	6,400 mt
Total	42,500