

ALASKA LEGISLATURE COMMITTEE FILES 1901-1902 80/2

1650 SJ BRISTOL BAY AFFAIRS

Salamatof Seafoods of Kenai announced it was going broke in December after losing \$2 million in 1980. It left behind \$220,000 owed fishermen and another \$1.4 million due other non-secured creditors. The failure was attributed largely to Salamatof's heavy investment in Bristol Bay freezing operations.

Other Bay processors also are reported to be in serious financial trouble, including Icicle Seafoods which handled up to one million pounds of Bristol Bay sockeyes a day at the peak of the season.

Processors say nearly all of the 1980 pack had been presold when the wholesale price for frozen salmon began climbing. The only reason the price went above \$2 a pound was the lack of products available on the open market, according to several processors.

"We sold ours [frozen sockeye] as soon as we packed it," said Tom Jacobsen, vice president of Icicle Seafoods. "Every floater in the Bay sold in the \$1.25 range."

As for the Bay's canners, the market has continued its snail's pace upward. In sharp contrast to the wildly fluctuating markets for frozen sockeye, sales of canned salmon have advanced at a slow but steady rate for the past four years.

Canned salmon from Alaska has been sold in the eastern United States, Europe and Canada in large volumes for decades and markets appear to be very solid. The Bay's major canners were sitting on millions of pounds of salmon as 1980 drew to a close, however, as a result of a near-record statewide harvest of 110 million salmon. The canned salmon pack jumped by nearly one-third in 1980 to more than four million cases.

In an effort to move the stockpiled cans, the state-funded Alaska Seafood Marketing Institute voted on December 11 to give the Canned Salmon Institute \$481,000 to boost its promotional programs in 1981. It is uncertain what impact the doubling of generic advertising for canned salmon will have on the 1981 markets.

One particularly promising development in markets for Bristol Bay salmon was a test program last summer by Whitney Fidalgo

Seafoods to move large amounts of fresh salmon to supermarkets across the United States. Freshly caught sockeyes were flown to Anchorage where they were dressed, chilled and packed for shipment in cardboard boxes with gel ice. Company officials say the fish were flown to major cities such as Dallas, Los Angeles, Detroit and Chicago within 48 hours of being pulled from the water.

All told, 600,000 pounds of sockeye salmon from the Bay were sold to the second largest supermarket chain in the U. S.; while another 300,000 - 400,000 pounds of fresh salmon were moved from other areas of Alaska. Whitney officials say the fish arrived at the distant markets in excellent condition and, despite horrendous logistics, less than two per cent of the total shipping weight was lost due to spoilage.

The November edition of the Alaska Fisherman quoted a Kroger spokeswoman as saying even though many customers "had never tasted salmon before..." the response was "unbelievably enthusiastic." Another Kroger official called the fresh salmon program "very successful in all areas for the company."

Kroger's retail prices for the sockeye were \$2.50 a pound for whole fish and \$3.00 a pound for salmon steaks. Whitney says the profitability of the operation was close enough to try it again with even more salmon in 1981. Other processors acknowledged they also were looking at the fresh salmon market following Whitney's successful effort.

The Crystal Ball

Predicting the number of adult sockeye salmon to return to the murky waters of Bristol Bay in any given year combines several scientific measures with a roll of the dice.

Biologists follow up escapement estimates with assessments of survival rates of fertilized eggs to fry. Since environmental conditions have a heavy impact on young salmon during the two or three years spent in fresh water, lower survival rates are attached to cold winters.

The most accurate element in the forecast is the counting

of smolt or juveniles migrating to salt water in the early spring. "Fan scan" sonar systems on the Kvichak and Wood Rivers provide reliable tallies of the outmigrating smolt. The estimates of smolt strength on the two rivers are used as indexes to adjust run projections for other systems relying strictly on parent-year escapements and environmental factors.

Once the run starts its journey to the spawning grounds of Bristol Bay the forecast can be adjusted by results of a test fishery in the Shumagin Islands, a large commercial fishery at False Pass in the Aleutian Islands and another test fishery at Port Moller on the Alaska Peninsula. The prediction also can be tempered by the size of the returning fish, since smaller salmon generally mean larger runs and vice versa.

Despite the scientific checks and measures, the official state forecasts have a very uneven track record. For example, in 1971 the Department of Fish and Game predicted a 43.6 million sockeye run, but only 18.1 million fish actually returned. The 22.6 million prediction in 1979 fell far short of the 39.9 million return. A few looks in the crystal ball have been very close, though, like the four per cent miss in 1976. Over the past ten year, state biologists have experienced a 49 per cent margin of error, although the gap is narrowing.

Coming on the heels of a record 60.8 million sockeye run, the 1981 Bristol Bay forecast of 26.7 million fish may seem unimpressive, but it represents a very high figure for a post-peak year in the fishery's five-year run cycle. With escapements subtracted, the figure would leave 21 million sockeye available for harvest in 1981. The catch would be comparable to the harvests of 1979 and 1980.

Negotiations 1981 -- a Gloomy Forecast

If an official prediction were released for price negotiations between Bristol Bay fishermen and processors, chances are it would call for another bitter impasse cutting deeply into fishing time.

The price dispute of 1980 intensified the long-standing animosities between the two groups, making the prospect of early

price talks in 1981 appear remote. When the bargaining finally begins, the gulf between offer and counter-offer promises to be vast.

Canners appear ready to argue that the nearly stagnant prices of the marketplace fail to keep pace with double-digit inflation and that they are strapped with interest rates ellipsing the 20 per cent mark again. Freezing operators will point to the bankruptcy rates and uncertain markets. Both are likely to cite sharp drops in the strictly Japanese market for the crucial by-product operations of salted salmon roe.

The attitude of fishermen appears to have hardened as bookkeepers stack 1980 expenses against fish ticket payments. Despite the largest runs in the history of the Bay, very few fishermen made a decent payday and many ended up losing a bundle of cash.

Fishermen simply lost at the bargaining tables in 1980. The canners put up the largest pack in recent history for raw fish prices at pre-1977 levels and in the face of a steadily improving market. Freezing operators paid prices dating back to 1973.

Not only were prices rolled back several years, but fishermen didn't get the large volumes promised to make up the difference. Most fishermen were put on daily catch limits of 6,000 or 12,000 pounds, although some canners bought fish, at a substantially reduced price, from fishermen who exceeded the quotas.

As it turned out, the price offer rejected by fishermen on July 1 would have been better than the settlement figure of 57 cents a pound. Consider these factors:

- ° Nearly all processors buying sockeyes to freeze paid only 35 or 40 cents a pound; but acceptance of the July 1 offer of 45 cents a pound probably would have resulted in a Bay-wide standard at that higher level.

- ° The 57-cent settlement figure was below the 60-cent a pound offer for canned sockeyes rejected on July .

- ° The two days of peak fishing time lost until the July 3 settlement would have brought fishermen an additional \$8,000 to \$14,000 each.

A survey of 230 permit holders by the Bristol Bay Native Association indicates the 1980 salmon season left many Bristol Bay watershed fishermen in serious financial trouble.

More than half of the respondents to the BBNA survey said they needed help in buying groceries for the winter, 50.4 per cent couldn't afford to buy fuel and another 37.2 per cent couldn't make their boat payments. Although an overwhelming number of the Native fishermen traditionally receive their entire cash income from fishing, 82.8 per cent said they needed to bring in extra money to make it through the winter. Of these, 43.9 per cent said no jobs were available.

There also seems to be trouble brewing within the fishermen's groups. AIFMA's three top officers resigned following the 1980 price negotiations and the parting of ways appeared to be anything but amicable. Resigning AIFMA president Dave Milholland was quoted by a fisheries trade journal as saying:

"I told them when I left that they ought to become more reasonable but they are becoming more militant. I guess [we] weren't militant enough for them. Fishermen have the right to a fair price but there comes a time to be reasonable and I felt we had reached that time after letting all those fish go by. We were just a day or two away from losing the whole season."

Many Bay fishermen with frozen markets are becoming increasingly disenchanted with the Bay-wide shutdowns by AIFMA and WACMA. Most freezing operations offered 40 cents a pound in early 1980 and the long strike failed to budge them. Forty cents a pound was the going rate for frozen fish in the Bay in 1979. Other fishermen were paid 35 cents and even less.

Another factor to take into consideration is the new marketing association on the Bay -- Bristol Bay Fishermen's Association -- formed to negotiate a 1980 sockeye price with Icicle Seafoods. BBFA's 40 fishermen settled for 40 cents a pound plus a share of Icicle profits from the Bay. BBFA officers reportedly were considering taking AIFMA head on in a battle over members, but the lack of the promised profit share from financially ailing Icicle appears to have killed that prospect. A collision between

the two fishermen's associations would have been very messy during tough negotiations.

SECTION IV. WHAT CAN BE DONE?

Internal Ills and their Cures

Problems leading to the bitter confrontation between fishermen and processors in the summer of 1980 defy easy solution. Most stem from such complex circumstances as jittery international seafood markets and long-festering animosities between fishermen and packers.

Broadening the marketing base for salmon, developing more sophisticated transportation systems in Western Alaska, upgrading fishing and processing operations and streamlining the negotiating process all are keys to solving particular long-range problems in the salmon fishery.

Although there are some areas where the State of Alaska can tackle a problem head-on, most of the changes must come from within the industry. It is up to fishermen and processors to make the peace in the Bay necessary to avoid reallocation of the highly prized salmon resources to other bidders.

Unless state officials are willing to redefine prevailing notions of the free enterprise system, the toughest problem -- price negotiations -- is going to have to be tackled by the industry on its own. Opportunities for government intervention in the bargaining process are extremely limited.

Present law allows the state to enter into price disputes between fishermen and processors only if issued a formal invitation by one of the two parties involved. Even then, state participation is limited to mediation, or essentially referee status. There are no mechanisms to force reluctant parties to the bargaining table or set deadlines for price settlements.

There is widespread dissatisfaction with the awkwardness of bylaws in the charters of the fishermen's marketing associations requiring serious price offers to be brought to a vote of the full membership. AIFMA negotiators say they felt cornered in 1980 to put offers with no chance of approval to time-consuming votes. Observers close to the 1980 talks described the negotiators for

fishermen as "messenger boys" unable to effectively bargain by responding with counter offers.

When AIFMA negotiators Mel Olsen and Dave Milholland took a strong bargaining stance in 1980, they were slapped down by an angry membership. Rejection of the July 1 price recommendation was a bitter enough pill to swallow for AIFMA president Milholland and secretary-treasurer Olsen, but a later collision over lines of authority was worse. The pair of working fishermen, along with AIFMA vice president John Lungren, submitted their resignations after an internal spat over unilateral acceptance by the two negotiators of a pink salmon offer from a major processing company.

The marketing associations can improve the negotiating process in the Bay by taking a number of internal steps that essentially translate to the hiring of professional negotiators, arming them with the best economic information available, and stepping back far enough from the bargaining process to require that only the best offer possible under the circumstances is brought to a full membership vote. Such actions would elevate price talks above the highly emotional level of recent years.

AIFMA took the first step in that direction a year ago when it commissioned a price analysis by an established consulting firm. The report strongly recommended an early price settlement to take advantage of early fishing and maximum production in the face of the depressed market for frozen sockeye. Unfortunately, only a handful of AIFMA members were given copies of the report.

A positive sign emerged from the internal shake-up in AIFMA following the resignations of the group's top three officers with the hiring of a full-time manager. Long-time Bay fisherman Mitch Kaink, AIFMA's first permanent employee, also will serve as chief negotiator. In addition, the association is in the process of moving its corporate headquarters from California to Alaska and reorganizing under Alaska's cooperative association laws.

Although these moves by fishermen should help, the most important changes will be attitudinal on the part of processors and fishermen. Processors share a large portion of blame for

creating the poisoned atmosphere surrounding the 1980 talks. The confrontation with fishermen provoked by Whitney nearly exploded into violence that could have resulted in the entire 1980 season being lost. Other processors could have diffused the situation by beginning negotiations in earnest, but Whitney was the only major company making firm offers to fishermen until the final days of June.

Only when the industry as a whole gets serious about finding a method of sharing fairly in the rewards and risks of the salmon marketplace will there be a lasting peace on the Bay.

Why Do Anything?

In the eyes of most processors operating in Alaska, the only proper role of government in the seafood industry is none. The feeling that any fish business touched by government automatically is doomed to a fate worse than bankruptcy runs particularly strong among the large canning companies of Bristol Bay.

Since fishing communities have considerably more influence over elected officials than the non-resident canneries and receive benefits from the state extending beyond fishing, it is not surprising that fishermen have a somewhat more favorable attitude toward government. But, fishermen also react very strongly when the heavy hand of government falls upon their shoulders.

Considering the cold reception to the presence of government and the many pitfalls in store for the wary and unwary alike, some question state involvement in what essentially amounts to a difference of opinion between two economic groups over a private business matter. Bristling at the suggestion of the state planning for the 1981 Bristol Bay salmon season, the president of a major processing company said, "Ain't nobody going to negotiate fish prices for me. The state should stick to biological management of the fisheries."

The legislative and executive branches of government have

been entrusted with the management of Alaska's vast natural resources on behalf of all citizens of the state. Wise management of Alaska's great salmon runs is one of the most important duties under this trustee relationship because of the renewable resource's long-range economic importance. The large number of jobs in the salmon industry and the dependence of coastal communities on the resource make it even more important.

This responsibility goes far beyond good biological management of the salmon fisheries. State government also is responsible for ensuring that Alaska gets a fair economic return for the commercial use of the resource. To allow a repetition of the economic waste of 1980's tremendous over-escapement would be to deny responsibility for sound economic management.

In deciding the appropriateness of legislative involvement in the planning for the 1981 Bristol Bay sockeye season, lawmakers should be aware of these factors:

(1) The Bristol Bay salmon runs are the largest in the world. The amount of fish harvested in the Bay has a profound effect on the markets for all of Alaska's salmon. In 1981, for example, the Bay's 21 million sockeye harvest forecast represents 29 per cent of the statewide total salmon catch prediction.

(2) The 2,600 limited entry permits in Bristol Bay account for 26 per cent of all commercial salmon gear licenses in Alaska. The 1,100 permits held by watershed residents provide most of the cash flowing into the communities of the Bay.

(3) The long-term outlook for the Bay's sockeye fisheries is excellent, so the problems associated with the large runs of recent years are not likely to disappear. Sonar counts of out-migrating sockeye smolt in the Kvichak and Wood Rivers and the large escapements of the past two years suggest the fishery will be strong for at least the next five years. Improved biological data and sound management techniques will help stabilize the runs overall.

(4) Japanese fishermen have not failed to note the two

consecutive years of large over-escapements in the Bristol Bay sockeye fishery. Crucial treaties negotiated by the International North Pacific Fishery Council (Alaska, British Columbia and Japan) pull the Japanese gillnet fleets off Bristol Bay salmon in the Pacific Ocean hundreds of miles outside the 200-mile zone. INPFC chairman Elmer Rasmuson warned of the potential consequences of continued "under-utilization" of Bristol Bay sockeye at an October 2, 1980 meeting in Juneau.

"I'm not afraid of saying [to the Japanese] we are going to take every North American salmon species, but we have to use them," he said. Another INPFC member added that it is difficult to argue the validity of price disputes in the arena of international politics while a hungry world watches hundreds of millions of pounds of high quality protein go to waste.

(5) The 1980 price dispute nearly erupted into violence. Guns were evident everywhere, and considering the level of passion on both sides, the avoidance of bloodshed is nothing short of miraculous. The Department of Law was drafting a bill in early January that would suspend or revoke the limited entry permits of anyone convicted of civil disobedience or violence in connection with a price dispute. Many fishermen are highly critical of such suggestions, which they characterize as unfairly singling out fishermen by threatening their ability to make a living.

(6) Voicing a concern about the potential of violence, Governor Hammond announced the re-activation of his cabinet-level task force on Bristol Bay at a joint meeting of the Alaska Boards of Fisheries and Game in December. In apparent reaction to criticism to last year's group, Hammond hired as executive director of the task force his long-time political trouble shooter and former attorney general Avrum Gross.

The governor hinted strongly the task force will undertake some rather unorthodox approaches to the 1981 sockeye season planning effort:

"It seems to me that we have to reach a position where we say, 'Look, we want to harvest X million fish and here are reasonable conditions. Those of you who are willing to process

fish under these terms shall be accommodated with a permit to process fish. Similarly, those who wish to fish under these reasonable terms shall be permitted to do so under the current limited entry program.'"

Negotiations, Markets, and Money

Should the legislature become involved in the planning effort for the 1981 Bristol Bay salmon season, there are a number of issues that should be approached with caution. In determining the appropriate amount of pressure to apply, the consequences need to be studied carefully.

The approach suggested by Hammond is a good example. The governor has proposed what may be the most potent weapon available to the State of Alaska in dealing with the Bristol Bay salmon issue: politics. Whether it's called persuasive leadership or outright political blackmail, it could be the only way for the state to force an early settlement of sockeye prices.

The ramifications of removing the protections now given the seafood industry in order to mandate better utilization of the salmon resource could be drastic. For example:

° The lifting of limited entry to open up the Bay to fishermen less reluctant to accept lower prices would deny thousands of Alaskans their sole or primary source of income. More than 1,100 Bristol Bay watershed residents hold limited entry permits and hundreds of others fish as crew members. Most of these fishermen and their families are totally dependent upon fishing for cash income. More than 500 Alaskans from outside the Bay area hold Bristol Bay gillnet permits.

° Allowing foreign processors to come into the Bay and buy salmon at prices demanded by fishermen could cost thousands of cannery workers their jobs. The State of Alaska and local governments would lose tax revenues from the shore-based canneries. But the most serious implication of the move is the threat to world salmon markets. The limited international markets for salmon now controlled by Americans would be prime targets for low cost foreign factory ships to undercut and corner.

Even if the tough talk by Hammond is carried through, fishermen and processors can't be expected to rush to the bargaining table. Both sides will be anxious to let the wholesale market outlook come into clearer focus before being committed to a price for 1981 salmon.

The situation in the Bay is very complex from all sides. Fishermen and processors alike fear that by rushing in too quickly they will find themselves on ground where angels fear to tread. The processors thought they were burned by the 1979 settlement and fishermen feel they got the shaft during the summer of 1980. Both will approach the 1981 process with extreme, and very appropriate, caution.

The legislature undoubtedly will be asked to become involved with the Bristol Bay issue to some degree. The following issues deserve further consideration:

NEGOTIATIONS. Settlement of salmon prices before the season begins is the best way to ensure that the sockeye resource is more fully utilized, but deadlines for settlements must be realistic.

Scoffing by industry leaders at the March 1 deadline for a price settlement set last year by Hammond was justified. Neither canned nor frozen sockeye markets gel until April or May. With the fluctuations in the frozen market, settlement deadlines should not be set before late May.

Salmon prices also hinge on the cost of money processors borrow to set up summer operations and pay expenses until the packs are sold in the fall. Considering the rapid changes in the prime interest rate, too early a price settlement could change the profit picture by significant percentage points.

One answer to the annual negotiating stalemate in Bristol Bay often mentioned by fishermen, processors and state officials is profit sharing plans or a sliding scale geared to wholesale prices. The systems could guarantee fishermen a minimum price per pound when the fish is delivered, with the remainder to come at a specified future date according to a strict formula. This method would allow processors to borrow less front end money.

Despite the mutual attractiveness of the benefit and risk

sharing systems, they will be difficult to sell on the Bay. In 1975, a sliding scale was adopted for Bristol Bay sockeyes, but fishermen ended up getting paid only the base price per pound of 37 cents. Because no bonuses were paid, fishermen took a 25 per cent cut in fish prices that year. If financially troubled Icicle Seafoods fails to pay fishermen a profit share for the 1980 season, additional skepticism over the proposals will be generated.

AIFMA officials say they are interested in a sliding scale for sockeye prices in 1981, but insist on an audit of the finances of processors as a safeguard. The prospect of processors agreeing to let fishermen or state auditors examine their books appears extremely remote.

Significant expansion of the state's role in the bargaining process or the imposition of negotiating guidelines would run smack into federal antitrust guidelines, according to state labor officials. These price-fixing prohibitions also prevent fishermen and processors from sitting down as a group to discuss ways of resolving the price dilemma.

State labor officials speculate that it would be very difficult to convince Congress to grant the Alaska seafood industry a limited exemption from the federal antitrust laws because of strenuous objections by national union officials to any relaxations of the price-fixing restrictions. A test of the feasibility of winning a limited waiver for price negotiations might be accomplished by sending Alaska's congressional delegation a strongly worded joint resolution asking for specific amendments.

Whatever approach to the problems is chosen, it is critical to keep in mind that price negotiations really are private business transactions best kept in the hands of fishermen and processors. Pressure by the state should be applied with caution.

MARKETS. In trying to avoid another stand-off in price negotiations, one concrete action available to the State of Alaska is to provide common ground for discussion of economics concerning the pricing of 1981 sockeye salmon.

When processors began talking about the depressed markets

for sockeye salmon in late 1979, AIFMA leaders accused them of spreading "propaganda" aimed at setting the stage for price negotiations. Fishermen and processors never did see eye to eye on the condition of the marketplace during the entire course of bargaining.

To avoid a similar situation in 1981, the State of Alaska should provide the best information available on the markets for canned and frozen salmon, with a focus on market prospects for the 21-million harvest projected for the Bay.

If the market study is to carry validity, its author must have impeccable credentials. Here's how the chairman of a major processing company reacted to the suggestion of a state-funded market study: "I oppose that. I've yet to see a government agency able to provide good sources of market information."

An important but longer range move on the marketing front would be to work out a compromise on funding for the recently formed Alaska Seafood Marketing Institute. Legislation providing ongoing funding for the nonprofit industry group was vetoed by Governor Hammond last year, but the governor later provided \$1.2 million as interim money until new legislation could be approved. It was still being drafted in mid-January.

The marketing institute, formerly called the Alaska Seafood Foundation, has gained widespread support in the seafood industry among processors and fishermen. Its membership now includes companies accounting for the bulk of Alaska's seafood production.

ASMI now is in the process of developing a long-range approach to expanding national and international markets for all Alaska seafoods, as well as developing essential quality assurance guidelines for the industry. To have a more immediate impact, ASMI bolstered existing industry-funded generic advertising programs by \$730,000, including \$481,000 for promoting canned salmon.

STATE MONEY. In grappling with the Bristol Bay salmon issue during the 1980 session, the legislature used one of the biggest weapons in the state arsenal: surplus oil funds.

A \$67 million loan and investment program was created to help resident-owned processing companies cover front-end pack

expenses and expand facilities. The package came under heavy fire from fishermen and processors operating on Bristol Bay this summer.

Fishermen complained the money was being used to finance cash buyers who paid the lowest prices on the fishing grounds and later went broke with fishermen still unpaid. Non-resident processing companies were uniformly opposed to the "bail out of failing enterprises." Said the general manager of one of Alaska's largest processing companies: "In the business world it is survival of the fittest and if government financing keeps uneconomical companies alive it weakens the entire industry."

In dealing with the financing issue, it is important to separate the "pack financing" loan program under the Alaska Commercial Fishing and Agriculture Bank (CFAB) from the investment financing of the Alaska Renewable Resources Corporation (ARRC).

The pack loans were offered to resident-owned companies by CFAB with interest rates running about two per cent below the going open market rate for short-term lending. Loaned out was the entire \$12 million in cash and about half of the \$40 million in guarantees. CFAB president Gary Anderson said, "We found the need was not there to the degree everyone thought it was."

CFAB has an ongoing pack loan program also available, like all CFAB programs, only to resident-owned companies. Although the \$52 million of 1980 was too large, Anderson said the bank's present pack loan fund could use another \$15 million a year to meet projected needs.

Like many in the fishing industry, Anderson said the state should consider a different approach to loan eligibility. Said Anderson of the resident-only approach, "Sounds politically very nice, but it doesn't do much for the fisheries." CFAB wants to be able to loan money to U. S. owned processors, Anderson said.

Others in the seafood industry suggested loans be given according to percentage of resident hire or amount of money spent on buying fish from Alaskans. Few processors favored this approach,

but some privately said it would encourage companies to hire more residents. Most non-resident processing companies favored funneling pack loans through commercial banks operating in Alaska, so the money would be doled out according to financial viability rather than residency.

The issue of investments by ARRC probably will surface early in the 1981 legislative session as the program has been heavily bombarded with criticism from fishermen, processors, bankers and others.

The complaints increased considerably following the recent bankruptcy of one of ARRC's major investments in the seafood industry. After Salamatof Seafoods announced it was closing in December, ARRC trustees worked out an agreement with other shareholders giving the state-funded corporation sole ownership. ARRC started reorganizing Salamatof under bankruptcy status in early January, 1981. The Corporation, which has \$2.3 million invested in Salamatof, plans on selling controlling interest of the company following reorganization.

On a longer range investment note, the development of the Bristol Bay salmon fishery has been hampered severely by the lack of transportation "infrastructure." The Bay has no port or public docks, and the only "boat harbor" goes dry at midtide. Most of the airports are too small to fly out large volumes of fish. Many of the best fishing areas have very limited salmon handling capabilities. Massive upgrading of the Bay's transportation systems would do much to assist the growth of the fishing industry.

RESEARCH MATERIALS

Research for this report included a ten-day visit to Bristol Bay (Naknek, Dillingham and Clarks Point) during the final week of the price dispute and first days of fishing. A later trip was made to Seattle to interview processors and research markets for sockeye salmon. The October meeting of the International North Pacific Fishery Council in Juneau was attended, and discussions of Bristol Bay at the December meeting of the Alaska Board of Fisheries was covered.

Fishermen, processors, fisheries biologists, state officials, marketing experts and Native leaders from Bristol Bay were interviewed in the course of that work. Scores of news articles were clipped and background material collected from various sources.

The newspaper articles and some of the supporting documents have been filed in the Legislative Library in the Alaska Court Building and may be checked out for research. Available in the Legislative Media Center in the in the Capitol Building is a 15-minute video report on the 1980 Bristol Bay salmon season prepared for the Legislative Council.

Following is a list of research materials available at the Legislative Library:

Bristol Bay Native Association's survey of the economic impacts of the 1980 salmon season on watershed resident fishermen. In this effort for the Legislative Council, a total of 232 surveys were tabulated.

1980 news articles from daily Alaska newspapers and fishing industry news journals.

Statistical information from the Alaska Department of Fish and Game detailing daily catches for the 1980 season, historic harvests, smolt migration counts and preseason forecasts of salmon runs.

ADF&G reports, press releases and management plans relating to the 1980 sockeye season in Bristol Bay.

"Final summary report of the Fishery Harvest Planning Group on the 1980 Bristol Bay salmon harvest." A report prepared by Governor Jay Hammond's 1980 Task Force.

Report on Japanese salmon markets (August 28, 1980) by the Alaska State Asian Office in Tokyo.

"Bristol Bay--The Fishery and the People." Prepared in
1975 by the Bristol Bay Native Association.

To: Senator Kerttula
From: David Gottstein
RE: Violence in Bristol Bay
Date: 4/9/81

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Over several years there has developed practically an adversary relationship between the fisherman and the processors, primarily because the fishermen don't think they get a fair price for their fish. I heard several comments concerning the processors misconduct; from price fixing, to pressures being brought to bare on fishermen with outstanding loans to the processors. The symptoms might manifest themselves in several different ways. I believe the real problems are generated by the lack of a fair balance of bargaining position, and some faulty preordained market mechanisms at play. The complete story of the fishing industry in Bristol Bay is far from my immediate grasp, but I believe I did pick up enough information to describe some of the main factors that lead to the violence, what form the violence took, and what were some of the suggestions made by the people I talked to to reduce the chance of violence this coming season.

There are some bigger issues to be discussed perhaps at a later date among more informed individuals concerning the balancing of counterveiling powers at play in the region, but I will just address the issues concerning the eruption of violence last season.

There are two main faulty market mechanisms at play here, beyond the broader power discrepancies I hinted at earlier. One is that the fishermen require the processors to commit themselves to one price for the fish for the entire season. This puts the entire risk of market fluctuations onto the processors. As a result they are forced to be

Short term functions have little bearing on institutionally sound market

fishermen, both canned and frozen, stayed on the beach not out of complete sympathy for the strike, but out of fear. There were enough fishermen engaged in mob rule that the whole scene became a travesty. They made personal threats to fishermen and their families, dumped fish overboard at gunpoint, damaged property, intimidated voters during marketing association meetings, blockaded harbors, brandished and fired semi-automatic weapons, and created hazardous boating situations. The feeling I got was that most of the really bad apples were from outside and belonged to a so-called fishermen's "mafia," as they call themselves. There was also some limited native participation hinted. It wasn't until after a particularly rough boating incident when public safety officials put out a strong statement that things seemed to cool down.

Phil Daniels believes that because the state protects the fishing industry with limited entry and primary processing, of which the latter may be knocked down in the courts, that the industry ~~was~~ a reasonable effort to the state to make sure the resource is harvested. Anything short of a reasonable effort should perhaps result in the governor having the authority to lift these protectionist barriers for a season.

Several recommendations were made with respect to reducing the threat of violence.

1. Make it known and insure that the state will significantly increase its profile in the region with experienced officers, and that the state won't tolerate any violence. Only one person last year was brave enough to file a formal complaint, and his case was thrown out.
2. Threaten to suspend or revoke limited entry permits from anybody caught participating in violent conduct.

Copy with all the ...

Bring in foreign strike breakers

State involved with ...

For a person who has admitted he does it. Know anything about the situation he sure has definite opinions.

to take on any risk, they deserve less of a return.
the processors in a commodities futures market that doesn't allow price
fluctuations for the fish in response to supply and demand characteristics.
If the entire Bristol Bay catch is unusually high, or the demand soft due
to surpluses or other market conditions, the selling price per case will
drop, leaving the processors vulnerable. As a result the processors must
play the market very conservatively. A contributing factor this past year
was that the prior year's losses made it difficult for the processors to commit
to high prices.

*Last year's losses were due to rotten fish that
were ~~not~~ sold because of panic buying.*

The second market problem is that the fishermen in Bristol Bay demand
one price for fish to be canned and fish to be frozen. This creates a
natural conflict since the two have distinct selling markets. Only by
chance will they wind up in harmony. This is a new problem since the frozen
market is a relatively new market. The fishermen fishing for canning pro-
cessors tried to force an old formula to a new market condition. What
precipitated the conflict last year between the can market fishermen and
the frozen market fishermen was that the frozen market was soft, and if the
frozen market fishermen held out for what the can market fishermen wanted,
they could never have sold their fish, since the frozen fish processors
couldn't have made any money at the canned fish price. The violence ensued
because the frozen fish fishermen wanted to fish for a lower price than what
was acceptable to the other fishermen. The thought being that the frozen
market price would set the price for the canned fish market. The canned
fish fishermen refused to recognize the two distinct markets. As a result,
the frozen fish fishermen were considered scab fishermen by the other fish-
ermen, since their actions were considered not in the best interest of all
the fishermen, even though the can fishermen wouldn't recognize a secondary
market.

*operating cost physics risk factor place fishermen in category of high risk
then in vulnerable position of high risk*

*Mr. Scabbing: Beaten 125,000 from
Apr 10 to fix low price
Daniele
collusion
with reef
Sea food
to create
BFA in
plunging joint
Venture
scabbing*

3. Investigate the use of a sliding scale pricing formula for each market, like the one in use in the Cordova region. This would spread the risk of price fluctuations and loosen the conservative nature.
4. Have the state participate in acquiring good market data before the season begins so that the fishermen have a better idea of what is actually a fair price to be paid for their fish.

All of these are good long term solutions, but probably the best action to be taken this season is a greater presence by public safety officials, with a carefully thought out enforcement and punishment program to reduce or eliminate the climate of violence and fear this year. I would like to reiterate that there are other complex issues concerning the fishing industry, such as the current control and ownership structure of the processing plants. My immediate concern and attention was to give some background information and recommendations on which to go with in preventing a repeat of last years experience. It might be noted that none of the people I talked to had any faith that the governors task force would be of any help.

See
SAS
Cordova
price
no
flood
price

with "Coke nose" Gross leading the Pinkertons the task force becomes a task force of Some of Gattis's economic observations.

make sense his market analysis is sophomoric at best and his assessment of the total situation is ASSURANCE with no supportive of documented data.



Alaska State Legislature

House of Representatives

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Legislative Council
FROM: Rep. Joseph Chuckwuk
DATE: March 19, 1981
RE: Bristol Bay fishery

In light of what the legislature is doing to address the Bristol Bay fishery problems, I think it would be appropriate for the Legislative Council to reconsider its decision to hold the contract of the Nushagak Fish Producers Cooperative. In reviewing the contract, the cooperative is:

- (1) To provide a price index giving current day-to-day and week-to-week prices for fresh and fresh frozen salmon in various markets.
- (2) to develop a quality control program, including the training of inspectors and establishing fish handling procedures.

Despite the political differences that have surfaced in the Council it is imperative that the contract be examined on its merits. The judiciary hearings in Dillingham and Naknek have demonstrated the need to develop alternative systems to handle the production of Bristol Bay salmon.

There are approximately one hundred and twenty-five fishermen (125) in Bristol Bay who lack markets for this coming season; we have before us a solid program as presented by the cooperative; and we have a very pressing problem. I think that we must act now, while we still have time, in helping the fishermen in the area to develop a program of their own to market their catch. The cooperative can assist in addressing the long term problems in Bristol Bay. They must be given the opportunity to help the people in Bristol Bay regardless of the political problems that have surfaced in the Council.

CC: Legislative Council Chr., Rep. Hugh Malone
Rep. Tony Vaska
Sen. Arliss Sturgulewski
Sen. George Hohman

Bristol Bay Hearings of March 16, 1981
Tape 1, Side #1

The meeting was called to order at 1:40 p.m. by Senator Sturgulewski. Also present was Representative Chuckwuk, Av Gross, and Commissioner William Nix.

Senator Sturgulewski: What do you see as the role of the state?

Rodger Painter: I think just to get a better handle on the realities in the marketplace. To try to figure out what would be an appropriate involvement of the state, I think the Committee ought to look at the way the state approaches other natural resources like oil and minerals and timber. If the state attempted to go out and negotiate a lease for oil without studying what the realities are in the marketplace, it would be very much remiss. There is a responsibility to know what is happening in the world marketplace and I think it is imperative. The State has a responsibility for wise economic management, not only biological management of the salmon runs, but also the economic management.

.The resolution was passed by the Board of Directors of the UFA at our annual meeting last week. I would like to point out that United Fishermen of Alaska is the only state-wide fishermen's organization; there are 17 fishing organizations which belong to the UFA and represent about 1200 individual members. I did have a few other points I'd like to make and, again, I'd like to emphasize that probably the best thing that the State could do is to provide some realistic analysis of world market for salmon, and I do think it's the State's responsibility. I would like the committee to keep in mind when they're deciding how to deal with this problem in Bristol Bay is that there are no simple solutions; you can't decide that you are going to get a salmon market study and then skip out and expect the problems to be solved. It just won't disappear

that easily. I would like to recommend a 3-point plan for dealing with Bristol Bay. The first part to that would be to get the parties to the negotiating table. They haven't sat down at the negotiating table yet, and I don't think even a preliminary discussion of getting to the table has taken place. I think that's the number 1 step. The second step would be to give them something to talk about once they do sit down, and that's that study of world salmon markets. The third part would be just to step back from the process and give both parties a very strong message that if they don't resolve this on their own, then there will be some solutions enforced by the State. I think the biggest tool the state has is political pressure and I don't think this has been applied to this point. I think that it does need to be applied; there has to be a club held over the heads of both parties in this situation. . . . I don't think the State in any way should set a price, suggest parameters for a price, or to really step into the negotiating process other than in the role of mediation. I think, however, getting the parties to the table and sitting down and talking seriously before the salmon start jumping by the fishing grounds is one thing the state should do, and I think there have been suggestions that perhaps the state hold some clubs over the head of industry, and maybe that's not entirely a bad idea. Maybe we have to talk about the prospect of letting in foreign processors. Maybe we have to talk about the prospect of limited entry. If the industry is not living up to its responsibility in the use of those resources, then perhaps we have to talk about giving the resources to someone who will be more responsible. However, I don't think the state ought to step into the negotiating process; I think the state ought to step way back from the negotiating process and say, "You settle it on your own, but if you don't settle it on your own and the resource is again

under-utilized, if there is a tremendous over-escapement, then the State will do something." I think that's the appropriate role for the State. . . .I would only add that UFA is going to do its part in trying to keep the situation in Bristol Bay on the correct level. I think there is the distinct possibility of violence in the Bay if we run into another long strike. I don't think that the State should overreact and create laws (this portion distorted because of outside noise). . . .however, I do think there is a potential that things will blow up there, and I am going to sit down and write a letter to all permit holders in Bristol Bay and urge them to approach this situation with cool heads. I think it is a very tense situation up there; you know, you look at a situation where you had the largest runs in the history and residents of Bristol Bay are wondering how they are going to pay for their winter fuel bills. I think these people will be very concerned when they go up into the Bay and we're going to get in the same situation as last year; I think it could be a very volatile situation. I would like to add, Madame Chairman, just to pose this question: Why have there been plans formulated to deal with violence in Bristol Bay when nothing has been done to head off a confrontation? I think the state has taken the wrong approach to this situation and should be trying to solve the problem up there, not to deal with a potentially-violent situation.

Sidney Smith (also referred to as Frank Woods) The problem in Bristol Bay, we've seen it in the last two years, everybody talked about fish prices,, and violence in Bristol Bay, but myself, personally, I felt that wasn't really the problem. You've got a lot of problems tied into financing, surviving during the winter, you have a lot of different cases, but what I see as the role of the State is to roll up their sleeves and work with

some people; people right here in Alaska and also people who have the domestic processing plants. Rodger Painter, in the report he gave to the state, talked about a profit-sharing sliding scale system. Last year, the Nushigak (sp.?) Fish Producers Cooperative talked about a profit-sharing idea, which means that your pack loan is reduced by about one-third more than you really need because you are going into the market at a cost below the price of the product. Rodger Painter talked about knowing the market throughout the year, which means the domestic market, the European market, and the Japan Market. The information is here in Juneau and the information is in Washington, D.C. We've got the study basically done in European and Japan market and Korean market: it's there. The big issue that I see happened in 1980 was, all of a sudden, you've got a scare of saying that the market was going to be over-flooded which was correct. Japan only needs about 22 million to provide for their whole marketing system. Anything above that is excess. Last year, the break-even point for fishermen was 80 cents. We spent a lot of time and a lot of money to show that 80 cents was the price to pay to the fishermen. Our problem was that we had propaganda right behind us saying that it's only worth 40 cents. What I mentioned earlier was that I think the State itself, if they would roll up their sleeve and work with some people; I'm talking about low-interest rates; I'm talking about some capital improvement, and the main reason for that is that you have companies that's been existing for years in Alaska. All their equipment is basically paid off already. Anybody who tries to come in basically new, or a new idea, you're going to have a tough time competing because you are going to have to compete at 3 1/2% above prime. Japan, right now, operates at 0 interest or 3% interest, at the highest; that's another problem. I think what Painter was talking about is the

parties sitting at the table and negotiating the price. The price itself is already pretty much set in February, which means you have an up and down in the market. The market establishes the price to the fisherman. I hate to see, year after year, our people or even the fishermen sitting down there fighting, starting the strikes that should have never been there. The market has been pre-determined, if you look at all the records in Washington, D.C., and you also have some records here in Juneau that will show you what your market should be. It gives you an idea. The negotiation between the fishermen and the processor, you can generally do it and settle it by the 15th of March every year. The political pressure of trying to come over with a bunch of State Troopers, in my eyes, is wrong. I think it's wrong for both parties.

John Garner: We have a copy of a tape that was made on Saturday, June 28 aboard the Vigilant, a Department of Public Safety vessel, in the Naknek River. If permissible, I would like to play this for the Committee. We've also provided a transcript of the tape. The tape is radio traffic that took place at that time; it's difficult to discern what's being said, but I think that it provides us some background for the kinds of circumstances and tensions that developed during the strike circumstances.

Commissioner Nix: Madame Chairman, that tape was not taken aboard the Vigilant. It was not recorded aboard the Vigilant; it was recorded aboard a tugboat anchored in Naknek River.

(Representative Hurlbert entered the meeting at this point).

Representative Chuckwuk: Presenting tapes for informational purposes; I don't know if that's the proper thing to do. It could create an emotional situation to the public, and the news media tends to build things up. There's a possibility of losing our

perspective, or a danger.

(Senator Sturgulewski ruled that the tape be played and asked for background information from John Garner).

John Garner: The circumstances are that a tender, the South Sea Belle, which belongs to Salamantoff (sp.?) Sea Foods, is proceeding up-river with a load of salmon. There's an attempt to prevent that tender from reaching a dock to unload the fish, as well as some other activities going on. We've identified fishermen's conversations and Captain Locke's conversation in the transcript.

Senator Rodey: Why was there, during the hearings in Bristol Bay itself, why was there so little mention of the violence? It's been reported to me that there was very little mention of violence when the hearings were held there. Can you offer an opinion as to why this is the case, giving your testimony.

John Garner: Senator Rodey, I was not at the hearings in Bristol Bay and I really can't comment on that. I think there is a question of what we mean by violence. I have seen a copy, for instance, of some typed materials that were distributed to the Committee in the Bay which suggested that scare tactics are acceptable, although those do not constitute violence. There's a gray area there and where you draw the line and where I draw the line may well differ between scare tactics and violence. We believe it should be appropriate for fishermen not to have to battle with each other. We believe it's in the State's interest, the fishermen's interest, and the industry's interest to resolve any problems as to price differences well before the season starts but, on the other hand, I think we also have to recognize that

fishermen have the privilege of exercising their decision to fish or not in a climate that allows them to do it without fear of retaliation, and that's precisely what this testimony is aimed at. We want you to know that there were many fishermen who sat on the beach out of fear for exactly the kinds of reasons that you will hear on the tape.

Tape 1, Side #2

Eric Eckholm, Director of the Alaska Seafood Marketing Institute. I'm here to talk about one small part that I think the State and the industry can do together to help out the situation in Bristol Bay. We are a trade organization that was created largely due to the problems that resulted in Bristol Bay. I think the real reason you're here isn't the tragedy that occurred in Bristol Bay last summer, but it is the market collapse that happened the year before. Those hundred million pounds of fish that were wasted were wasted simply because the fish weren't worth enough in that market, the world's market, to either the producers or the fishermen, or the processors, and the harvest for profit and that resulted in a lengthy strike and a very tragic situation for everyone in the state. I believe that it's a proper state role to help support the eventual market price of fish so that everyone in the industry can take advantage of it. The divisiveness that strikes the industry is based upon the price of fish, and if the fish aren't worth enough to the eventual consumer, then the results that occur as a result of that, the bankruptcies of the processor, the bankruptcies of the fishermen, the lost revenue to the State of Alaska, lost employment, all come about as a result of the problems in the marketplace. Our organization was created

last year and it represents many people throughout the state: fishermen, processors, processing workers, and other people involved in transportation and distribution to the industry. We have members and members of the board who are fishermen, small processors, and large multinational corporations. We see the State's role in helping support this organization as a method to avoid a disaster such as the one that occurred in 1980 and 1985. If we are able to broaden the market base to allow market development in several countries and around the world, including America, it means that if a situation occurs in a single market it won't cause ~~xxxx~~ the kind of disruptions that occurred which dropped the bottom out of the entire market for everybody. If there is more choice involved, those markets will be more stable; you won't have the price fluctuations, and you won't have crisis situations that occur. What we're proposing is a joint effort between the fishermen, the processors, and the State of Alaska to help develop markets through generic advertising and promotion which doesn't promote any single group of people, any brand name, it doesn't favor the processors over the fishermen. What it tries to do is to create more demands throughout the world for Alaska's seafood products. In a short term, we've gone into an aggressive nationwide radio advertising campaign for canned salmon which, hopefully, will move the large pack which resulted from last year's large run and create a better market situation going into this summer so that the new pack will come into a market which is much healthier than the one that existed in 1980. We're also involved in quality assurance programs on the part of the industry so that we can begin to assure the world as we begin to create the demand that the products we create are of high value and high quality, and maintain the reputation that most Alaska seafood products have

enjoyed for a long period of time. This is one small part of an entire situation that you're all faced with in how to deal with evolving a cohesive fisheries development plan for the State, and I see our role as only the bulldozer out in front creating the demand so that the divisiveness that now faces the industry will now, hopefully, begin to disappear as everyone becomes healthier and as the products are worth more money over time to the entire industry and to the fishermen.

Jim Beeton: I'm a member of the Alaska Board of Fisheries, I'm a member of the Alaska Seafood Marketing Institute, I'm a member of the Alaska Fisheries Council, I'm a former Council Advisory Board member, former UFA Executive Board member, former president of Southeast Gill Net Federation, and most of the above are more by happenstance than design, but I thought I'd throw it out anyway.

Representative Chuckwuk: Are you involved in processing, too?

Jim Beeton: Yes, I am involved in processing. I've been a fisherman, and I'll give you more background if you want. I've been a fisherman for 23 years; I've fished in Bristol Bay off and on since 1961. I've fished in every other area in Alaska at least once, except for False Pass, and I have fished in almost every type of fishery at one time or another except for scallops, with various and sundry degrees of success. But, anyway, as I stated, I reiterate these things to say I've been around, I guess; everyone else seems to do that. Anyway, I certainly appreciated hearing Hank's comments there; I've listened to him for years.
. . . . I was in the river the night the tapes were made.
I had never fished during a strike in my life, and I was sitting there trying to wait for the strike to be over and all hell broke loose and, of course, that's when the South Sea Belle came by. There were a couple of other instances that were much worse than

the South Sea Belle; there was one case where there was a man and his wife from Kodiak in a little Marko (sp.?) boat that were surrounded by approximately 12 of the union, I suppose, boats; I don't know what they were, but they were running across his bow wake threatening to kill him, and on and on and on, and he eventually, in my opinion, probably made the most prudent move possible; he went over to Lockman, who is kind of the old man of the sea, and for protection got up against the Resolute. I don't know what would have happened people were not only very, very volatile, they were hostile. You had the feeling that there was an atmosphere I wouldn't want to see again. It was a very ugly thing. I've heard the statement made about fear and loathing in Bristol Bay, I was more into loathing than I was fear. The whole thing was so ludicrous to me, I could hardly believe it. Nevertheless, that's the way it was.. Approximately two days before the strike was over, I was approached after about an hour of fishing by approximately 6 vessels, and at least two of them had some rifles on deck, but I never get excited about that; they could have been out there shooting seal or something, I don't know. They didn't shoot me nor did they shoot my kids. . . . we went on about our business. . . . I had another incident similar to that a day later, but there again, nothing came of it so, in a sense, I don't know if you'd call violence or not. I had first-hand knowledge of talking to a few people who were involved in these close encounters. . . . I truly feel that one reason there is a lot of this downplay (of violence) is just purely fear and intimidation; no more and no less. I talked first-hand with some people who were closely involved in some of these incidents; one of them had a gun held on him, and one who had his fish thrown over, and I urged them to come forth. . . . and he told me that he was afraid for his family and his kids.. . . I think that the main reason more people aren't coming forward, that you don't have many

cases on the docket, is because people are afraid. . . . I really and truly feel that there are some serious problems up there. . . . they (John Garner & Phil Daniels) have some serious problems and they are going to be under the gun this next season and I hope an atmosphere can be established where we don't have this sort thing. . . . I read the article in United Fishermen and, of course, I've been misquoted many times in the press . . . I was really concerned about this thing, about being process-oriented, . . . we've been letting fishermen and processors solve their own problems for the last three years. I might add, from my standpoint on the Board of Fisheries, I think there are some serious problems; I think that Elmer Rasmussen said it all when he said that under the 200-mile limit, if we don't do something about those fish, they are going to be allocated to the foreigners by law; that's under the Federal mandate, not under the State's, and obviously this has gone on for about 3 years, 4 if you want to count (?). I think we have to figure out some kind of a conveyance to the people that we are going to have to do something about this because, along with limited entry, along with some of these other rights that not only the fishermen but the processor have had, goes certain responsibilities and they are going to have to face up to these sort of things. I would urge the State to take a very aggressive role in three or four different modes. First of all, of course, the marketing study; it really isn't to my advantage, but I don't have any problems with that. I think that is probably a step in the right direction, providing that any one man could ever really understand the market and Waterhouse, or any of them, I seriously question that. . . . I'm more concerned about vertical integration which, of course, I made the first swat(?) at myself to various and sundry degrees of success, and I am sure

that there are other co-ops as well as other marketing associations that are working toward that, so that and coops and making money available toward getting the fishermen to have a check and balance system. I think there will always be people who fish for canneries up there; I don't think you'll ever change that pattern, but at least if there was another way to go, if they really and truly were disenchanted and happy. . . . (from Sen. Sturgulewski: are you talking about increasing the options, then, of marketing?)

To elaborate on that, obviously, we can't just get a massive give-away program. . . . but, if we had a program going whereby you could, with certain responsibilities, build into it, have money available towards a responsible effort, co-op-wise or processing-wise, or otherwise among the fishermen themselves, I think that would be a good system. I might add, and this is where I've really been concerned, this thing about profit-sharing is a biggest joke in the world because everybody talks profit-sharing but nobody talks loss-sharing. The crux in this thing. . . . basically, what the fishermen really want is, they want a guaranteed amount of money and no loss, and that's not business. . . . I think the industry, itself, has no problem competing against a true profit and loss system. Certain fishermen would go for it and certain fishermen wouldn't. I frankly think there were a lot of problems in the industry last year brought about by a lot of different factors and it was overly-simplified by a lot of people who thought they were being had. In the beginning, the price just wasn't there. . . . granted, as the time went on, that was a low price, and the price got up to \$1.00 a pound, they paid a \$1.00 a pound in Togiak, they paid \$1.00 a pound in Cheegak (sp.). . . . (Sen. Sturgulewski: What about your major concern that you, and perhaps others, see the threat

of implied violence....?) I feel very strongly that in the fishing industry you have the right to either fish or sit on the beach. Now, I have a moral thing about going into somebody else's market. . . . I really feel that it's the State's responsibility, through public safety, to at least allow a person. . . . that he has a right to go out and fish. Because, under Alaska Statute, you have to have a limited entry permit. . . you have to have a boat, and you have to have a net, and that's all you have to have. . . . If we're going to have it some other way, then let's have it out in the open so Av or someone else can tell us when and where we can fish and be done with it, and I'll comply with the will of the people, but I certainly don't think that anything in lieu of that, that public safety should be in power and should be on the grounds, should have enough show of force to where a person can make up his own mind. . . . I think there should be alternatives to be pursued by some new and innovative people, including the frozen market people, that they should be allowed to do this. . . .

Av Gross: The Task Force is meeting this afternoon and just so I know what to avoid, what did I say in the article that you disagree with?

Jim Beeton: Well, I guess the opening headline there was . . . essentially implied that Av says that the people will solve their own problems; well, they haven't for three years. That's what I'm saying, so I think the State has to take an active and aggressive role. . . . there are some contradictory things; you said you could have hammered(?), We might use them, but I'm just saying that. . . or letting them write their report or just letting them solve their own problems, isn't going to get it. . . . I frankly don't give a damn about those limited entry deals. I don't think the state, anything would ever come of it, but I don't see where it's such a terrible concept to consider, and things like lawyers are disbarred all of the time,

medical licenses are lost for malpractice. . . . I just don't think. . . . I'm just not all hung up about it. . . . (Av Gross: If somebody is willing to come forward and make a complaint, and he gets prosecuted, which is what you'd need to pull a limited entry permit anyway, and they threaten somebody with a gun, they can go to jail for ten years for that. . . . don't you think that that in and by itself is enough to stop somebody? I mean, the problem is, nobody comes forward to complain, so. . . . it's not that the penalty isn't bad enough.)

Jim Beeton: With your limited entry permits go certain responsibilities. . . . and, I agree with you, that I doubt if anything would ever be taken away and, if it was, the guy would be in jail anyway. . . . (Sen. Sturgulewski: What you want is a strong statement that people have a right to fish and to make the different arrangements that they might wish to make?).

Jim Beeton: I certainly understand this thing about everytime a guy gets in an argument in a bar and gets in a fight. . . . something like shooting a man out there or ramming his boat, things like that. . . . I certainly feel that that the State has to do these things because of the fact that we're going to lose those fish if we don't act responsibly. (Sturgulewski: In other words, we have to protect that resource or somebody will take the resource away?). Beeton: Right. I agree with Elmer Rasmussen. . . . that if you read the 200-mile limit bill, that if we don't utilize that resource, obviously there are going to be calamities. . . . but, over a long period of time, if we don't utilize that resource, we're under a mandate to do so by the federal register.

Representative Chuckwik: The quality of fish is supposedly high during the months of June and July and that is when, historically,

fishermen are paid the lowest price. Towards the fall period, toward the end of the season, when there become less fishermen, the price of fish goes up. . . .By then, the quality of fish was lower than what it was during the summer. Obviously, the processors can't afford to pay those kind of prices at that time. Why is that?

Beeton: Very simply, Representative Chuckwuk, it has to do with supply and demand which takes precedence at that point and time of the year over quality. Secondly, when you are talking about the processors being able to pay, it's a function of who they are, how long they've been there;. . . .That's one of the problems in the who negotiating process up there is that they are trying to negotiate a broadbrush price there, you know, everybody pays the same thing, when in reality, depending on on their efficiency, how much interest they are paying. . . .there actually are all kinds of different prices that any given processor could afford to pay. . . .There were many contracts, and I've seen them myself, where the product was sold. . . .for as little as 75 cents a pound frozen in the box. . . .In other words, there was such a small spread there because, two things, first of all, they didn't have anyplace to haul them, which was pointed out and that's something maybe the State could get into and, secondly, and maybe more importantly, they just didn't have the cash flow(Av Gross, Commissioner Nix, and Representative Hurlbert left the meeting at this point, approximately 3:10 p.m.).

Representative Chuckwuk: The other question is, you mentioned the downplay of violence. I've continually asked for substantiating documents to provide that violence, and to this day nobody has been able to issue any of those, which leads me to believe that maybe there wasn't that much violence, as the news media may have played it up to me, and why is that?

Jim Beeton: I, from a personal standpoint, have encountered an awful lot more violence than I would have liked to. . . .and I don't like to encounter any violence. I did encounter a lot of violence, and I'm telling you that; that's just my word, and you either believe it or you don't. But, frankly, one of the reasons I think there is very little hard-core evidence of violence, or even statements being made like mine, is pure and simple fear. That's the only way I can put it. I talked to a great many people who were involved in it; I might add, one violent act. . . . that was the case of John Mitchell and the flare gun, and I was in the area at the time. I talked to one of the persons who was almost fried over that incident, and he was scared to death over it all; they brought it to a court test, and Menendez, who at the time was, I talked to him for an hour and a half on the phone over the whole thing and he had a lot of other problems, and that really wasn't top priority, it just got lost in the shuffle. And, frankly, that was one of the most test cases we could have had as far as I was concerned. The guy actually threw flammable material into the _____ of the boat and threatened to torch it off, and the / was a deck hand; he wasn't even the skipper, who was in the boat. The whole thing was ludicrous; I think we have another person here in the audience within 10 feet of that incidence of what was happening, if you would like to elaborate on that. I was in the area at the time and talked to the deck hand involved. But, I mean, those sort of things, to me, were, they, I could hardly believe they were going on in Bristol Bay. I've been up there in the 60's, of course, when they jostled people around and there were a lot of threats and such, but these things were actual facts. There was another boat up in _____ (ICU?) looked at and there was a bullet hole through the window and, you know, they shot the window

out of one on the cut bank (?); these sort of things were hard facts. . .it was awfully hard to make any cases on them. It was even harder to make cases on them when most of the local police force up there, evidently, are state police. . .but almost had a cavalier attitude about the whole thing. I was really chagrined about it, when this one case which I thought this one case which I thought would be the test case, never even came off the docket. They decided to let it go because on a prioritized basis, there wasn't enough evidence, they didn't think. They never did subpoena the people who were involved in it; they were Petersburg boys and they were Alaskans and they were ready to go to court over it and they never had the opportunity. This sort of thing, to me, I just can't believe they would let that one slip by. There was one real hard, cold fact of violence that occurred that never even came before the public. As far as the rest of the people, as I said, I don't think it's very bright to get up here and ramble on like I am right now, for example. You're going to do nothing but make enemies; you're going to do nothing but create a lot of hard feelings, and maybe that's just the way it is, and the reason I'm doing this myself is because I'm sick and tired of what's going on in Bristol Bay; I'm sick of the whole thing up there. I think it's the most ludicrous thing in the whole world, and I frankly would like to see the other things I mentioned: the vertical integration, the cooperative venture, the check and balance system that would prevent all of this stuff from happening, in lieu of the policeforce going up there. You know, with Nix and getting real hard-core, but until that comes about, and I don't see it coming about this year, I don't see where we can do anything except create at least an atmosphere where people will not be killed.

Representative Chuckwuk: The other problem, I think, is the outside fisherman that come up..

END TAPE 1

Bristol Bay Hearings
Monday, March 16, 1981

(Side #3)

~~XXXXXXXXXXXXXXXXXXXX~~ Representative Chuckwuk:

"The local Alaskan people depend on that source for their income; that's their total income. Last summer, as shown by their tax returns this year, most of them went in the hole as a result of settling for less a price due to increased inflation that we're having. They don't come in there with the idea of making an extra few bucks to supplement their winter job, because they don't have any in the first place. Do you have any suggestions to the outside fisherman to perhaps work with the local fisherman?

Beeton: It's a very complex issue, this thing about why one person will fish; I can speak only for myself. I think I am familiar with what you are talking about and I realize that those people do not have other sources of income. I, myself, come from a fishing family; my boys all fish; my oldest one, he's 18, has just come back from the Pribilofs....our family, that's all we do, and that's all we've done for virtually years is fish, and put my boys through school and everything else that way; I fish all year round when the necessity arises but, as far as the locals having no other alternative income compared to the outsiders, you can almost view that one either way. Granted that the locals have no other source of income and therefore they want a higher price. On the other hand, some of the people who have other sources of income can afford to sit on the beach; it gets into a very fine deal there about whether you can afford to sit on principle when you have no other source of income, so it's kind of a push either way on that one. My advice to the local. I frankly think that this thing about allowing the new early innovators who are _____, and of course that's

quite common; any early innovator is usually a pirrah (?) in his own time, he let them develop these other forms of markets to at least keep the industry honest. I think it's quite obvious that in any competitive situation there is no other alternative than the canneries are in a ~~very~~ ^{tremendously} strong position to dictate almost anything they want. I don't like to portray them as a bad guy or anything, but if they had no other check or balance, it's true they might always keep that price down. But, certainly, if these cooperative ventures or vertical integration come to task, then the canneries would naturally have to be in _____ position just for check and balance because there will always be the alternative to leave the old existing structure.

Chuckwuk

Representative ~~Murphy~~: So maybe we as legislators should be more concerned with the local interests and maybe to disallow them to come up until the price is settled; maybe that would be a good idea to avoid any scabs fishing at that point; maybe that would solve a lot of violence

Beeton: That's an interesting point and, of course, I used to get hung up on the word, "scab", there; I almost think it's a red badge of courage in the Bay anymore, so the whole concept doesn't bother me; like I pointed out, I spent twenty-one years of my life never fishing during a strike, to the tune of \$150,000 during the last two years, but the way that thing is going up there anymore, it's got to be such a joke that I really think the whole thing has lost itself in just a macho trip or something, and I think that if the locals take the stand, and I've seen them sit in the Signature Room late at night yelling at each other over this particular issue, that at some point in time if a person sits on the beach long enough on principle, and ¹¹ everything is on the side of the processor, don't kid yourself

there; the longer they go, the less volume; the better they are going to come out on their pack anyway. The whole thing is almost a stacked deck." The longer that sort of thing goes on, the less and less locals you are going to have fishing because, if you are going to call yourself a fisherman, there's one thing you have to have and that's money. Without being able to get an economic base to get the equipment and nets and everything, they are simply not going to be a fisherman anymore, and I keep telling people to look for a better way; not to run their head into the wall

Sturgulewski: Mr. Beeton, I think you have made a number of good points. Do you have any addition to what we've had here. Any further questions? We've had a request by Senate President Kerttula to hold over, in other words, to allow additional time for testimony and I think we'll set something up on Thursday, and I'd like to ask how many of the people who have signed up to testify really would prefer to do that today as opposed to coming back on Thursday to do what we can. Certainly, we'll accomodate those if it's a problem in your staying over. If so, we can take a short break and come back on this, but if you are perfectly willing, all of you have signed up can be here on Thursday, then we can do that.

[Sen. Sturgulewski called for a break at 3:25 p.m. and the meeting was reconvened at 3:35 p.m.]

Mitch Kink, General Manager, AIFMA: I feel like I'm part of your committee because I met with all of them. We've been going steady for quite a while through Dillingham and Naknek and I want to report I think they did a tremendous job out in the bush. For the record, again, my name is Mitch Kink; I'm General Manager of Alaska Independent Fishermen's Marketing Association; I've had fishing experience since 1937. I have fished in the Bay since 1952. I would first like to,

I think here the problem that we're talking about, if we talk about violence and everything, I'm always mentioned that what precipitates that violence, what we're talking about, is hampering or stopping this going on or stopping that going on, but I think we have to go back further to see what precipitates these types of things. In meeting with the Task Force, I find that we have fishermen, we have legislators, we have citizens at the meeting, but to me it's real disappointing that I don't see probably one of the biggest factors in Bristol Bay and that's the processor. We have had a touch of the processors from the Institute today, but we've been in three meetings and I've yet to see the processors. It tells me this; it tells me that either they do not take credence in the work of this committee or they don't feel this afraid of their livelihood as the fisherman does when he shows up for these meetings. So, what I'm saying here is this, that we are going into a new season and the season has all of the earmarks of being a good season. I think the price is going to be good. I hope, wholeheartedly hope, that we don;t go through the same situation, but let me elaborate on the situation. The situation wasn't that bad; true, you have heard a tape of foul language, of that type of talk that is around the waterfront, but I have been with these types of people and I have been in the Bay and I have heard families argue harder than that at each other. As far as the violence, well, in '73 and '74 I worked at a cannery, for a cannery, and there was more violence there than there was in 1980, because in 1973 and 1974 there was a lack of fish. The fishermen were all crammed into a small area and if the people had thought there was violence then, they better worry about the following two years, if they do not preceptate _____, because there is *considering how* more violence on a small year where people are depending on

that fish; as I said before. _____ repairs on wooden boats in 1974, double the repair on any average season; I don't know if there was a jamming of a boat. There were inuendos, kill you, and kill you this and kill you that; have you ever heard of some of these people, I hate to point to one word, but have you ever heard of some of the people from the south when they talk to their independent crew members, you know, and they get hit over the head with oars; this is just on the boat, this is normal. So, what I'm saying is this, I don't think it was out of proportion as compared to some of the seasons I've had up there. AIFMA's in kind of a funny position, like we're talking here about, well, it seemed to be the fisherman's fault for holding out for a price. Then, I remember years ago where AIFMA was ridiculed and the members of AIFMA in some of the villages were asking us to help them against their neighbor because we settled for too less of a price for fish. So, we're in kind of a bind. I think that the main emphasis here is this, and if I don't bring anything to this committee, I want to bring this before any negotiations, that we want a true, fair, and equitable price for our fish. Now, give me a fair and equitable price, then we don't have to worry about violence, but we're beyond that according to this State Government. We're worried about taking this away from this person, putting this guy in jail, we're beyond that. The illness starts at the table, and that's the reason you had the illness last year because they were told to take a 56% cut in their price. Boy, that's enough to intimidate anybody. And, so, what we're saying here is this, out of this fair and equitable price to the fisherman,

and, while we're speaking along that line, I might have spoke fast and furious up in Dillingham, and in Kevin's report where I said I think the fishermen, I mentioned the fisherman is worth 40% of what he gets for the final wholesale price. I would like to amend that, Mrs. Chairman, I would like to amend it to say that I was hoping to talk about the high 40's and 50's, because in the last three years we were getting 50%, over 50%, of the final wholesale price for fish, and we're going on that assumption again, and we've started something new. Not new, we tried it in '75, as I said before. We got hurt, but we want to go in and start on an equal level again.

Sen. Sturgulewski: Mr. Kink, would you be kind enough, since you did get that to us and it's very difficult to get everything, off, we've eluded to that. Your approach that you are going to use, why don't you explain that briefly. I think that would be helpful.

Mitch Kink: What we're saying is this, that the fisherman is worth 50% of the final wholesale price that the processor gets for his fish. We have already agreed that it takes 72 pounds of fish to go into a 48-pound case of salmon. What we're saying is this, that if the wholesale price of fish now, what it is now, will take 50% of that divided by 72, that should be our base price because that is on the market now. The product is on the market now. What we're then saying is this, that what our product goes for in the summertime, what it goes for in the summertime, and what the processor sells it for new fall, we'll again go through the same formula and if there is a difference in price, we would get some, but the base price is where we're at now. Is that good enough, Mrs. Chairman? So, that's the assumption and that's the way we're going on our

negotiations. I sent out the contract to most of the processors; I have only received one reply, and I met with him briefly and he stated that he would like to see not only the negotiator, but he would like to see the negotiating committee. So, we held off until we had our nominations and our elections, we just completed them, and we do now have a new slate of officers and they become the negotiating team. I hope to be in negotiations and at the table within a week with these people.

Sen. Sturgulewski: Mr. Kink, would you like to make comments to sum up what you think the State needs to be doing now, again? You've pointed out a lot of things you were supportive of, of a market study, as I recall, and I wonder if you have specifics for us?

Mitch Kink: Yes, I do, in fact I have a written copy for the membership of the committee. I'll run through these. I was asked by this committee and also by the Task Force to come up with some ideas, so I sat down and went browsing through what I thought were some ideas. I gave these to the Judiciary Committee in Naknek. Number 1, the State of Alaska does absolutely nothing during the price negotiations, but I said this, that the different commissions should be governed or should be instructed by the Governor whenever any proper phase of negotiations or the citizens of Bristol Bay are violated, then that commissioner should put in the program. For example, if there is actual safety and there are problems of safety for the citizens of Bristol Bay, then the Public Safety Commissioner should have his program and introduce his program into the process immediately. If there's going to be a problem of losing the resources, and I wholeheartedly agree, Jim and I don't agree too much, but I wholeheartedly agree with

Jim Beeton when he stated that we have to utilize that resource in Bristol Bay. I've said that constantly, time and time again, but I should point out this, that history tells us that those people who process the fish in Bristol Bay want to utilize 38% of that run. That's where it's got to start because, just a side point here, they told us, not me, I wasn't in the organization, but they told AIFMA last year to take a smaller price and you'd be able to get more of the fish

Sen. Sturgulewski: Since we have this before us, let me ask you a couple of questions. Maybe that will assist us here. You talk of the State of Alaska doing nothing during the fish price negotiations, but there should be a plan. You're talking about the different commissioners having a plan, a sort of what-if plan, is that what you're saying? So, there should be, in other words, a plan that can respond to different kinds of contingencies. The State should stay back until there is an appropriate time, based on their judgment, that they get in there.

Mitch Kink: Like I said in the example, if the safety of the people is in jeopardy, then the Public Safety Commissioner should put his plan into effect.

Sen Sturg.: On the second one, and this has been a major, negotiations have gone out there for a long time, there are anti-trust kind of constraints; a whole lot of things in federal law that govern how this whole process goes on. Are you saying that you see in this number 2, a specific role of the State to get into that whole negotiation process?

Mitch Kink: That's what I'm saying, Madame Chairman. I'm saying this, I'm saying that the State feels this is important enough, and this is going to be detrimental to the State's resources, and this is going to be detrimental to the

public safety of the people; therefore, what I'm saying in #2 is set the provisions for successful negotiations for free negotiations with deadlines for mediation to binding arbitration. We have always asked for this. We asked for it in '69, we asked for it in '80, we asked for it in '75, but we don't get anyplace because binding arbitration, and through this stuff, has to be agreed by both parties. And, consequently, we don't get this agreement. But, what I'm saying is this, then, then sit down and the party that does not follow these deadlines, or does not follow these parameters, should be penalized, and I mean penalized. If a processor will not come to the negotiating table, then he should be penalized two or three days operation; he penalizes himself every year anyway

Senator Sturgulewski: Just might make a point to Senator Rodey, and I am sure he has a great deal more knowledge than I do, is to, really, with all the statutes which govern this relationship, federal statutes, whether the state could, in fact, and that's apart from a policy question of whether they should, set up regulations which would guide this process, because it's one very much where the state has not been involved before, and so it's an interesting issue Mr. Kink raises. How about on #3?

Mitch Kink: #3, I think again here, when we're talking about the old situation, the old cannery situation, we have one boat and one cannery, I agree here, again, I'm biting my tongue, but I have to agree with Jim again that the old cannery philosophy is on its way out, but in its place I would like to have this, to do away with one boat, one company concept. That, for example, if one company settles a price in Bristol Bay, that company should be able to take fish from anybody without any reprisals on a first-come, first-served basis. Therefore, you've got competition for

the fish, you've got competition for the price. But, as it is, and I can attest to this in true heart, soul, and all my history, because I tried this and I have been kicked out of three camps, and I'm not a renegade. But, I have been rejected because of the reprisals, and I think this is extremely important. To create competition in the Bay will create a better price in the Bay, but when a company has said that they have put 50,000 cases, this year they are going to put up 60,000 cases whenever they can, they have got so many boats, they are going to catch so many fish, I think this is poppyrot. I think it should be open for competition. #4, the State of Alaska will not issue any license to do business in Bristol Bay fisheries until the complete cycle of doing business in Bristol Bay fisheries is completed. Now, you know that the processors have to buy a license to go into the Bay. The fishermen have to buy a license to go into the Bay. They have to pay for those licenses. If that process of negotiations is not completed, then why can't we just say that no license will be issued. #4, create a good climate for good and meaningful negotiations by doing a feasible study on the financial structure of Bristol Bay. This study should start with financial history of the Bay to the present tense, and I put this in for a reason. And that is this, that I would never go on a profit-sharing expedition with a company, with any company, not only in the fishing business, but with General Motors, because somehow or another they never make a profit. And, so, if I have to share in that profit, then I'm dead. What I'm saying is that I care less how much profit a company makes; what I'm saying here is this, that I am worth 50% of that. You've heard this before, Madame Chairman, but what I'm also saying is this,

do you realize that in 1980, that companies got fish cheaper than they got since 1976? In 1976 they paid \$37.00 for all the fish to go into the case. In 1980, they only paid \$41.00.

Sen. Sturgulewski: Do you feel that's something that you cannot do as a marketing organization, or do you feel that it would not have validity because you did it?

Mitch Kink: I'll agree on both questions. We have done that before, and what I'm saying, and I'm referring back to the my opening statement, that I am here for the fishermen, the fishermen are here for themselves, so we don't see the other side of the table, because to me there are two culprits in that Bay, not just the fishermen, it's the people that the fishermen do business with, even though they said they have people who will go fishing for that price. To me, there are still two culprits up there, and we're the only culprit that's always on the carpet and I resent that highly, Madame Chairman. #6, and that is to have a comprehensive study for world market for Bristol Bay. Sockeye salmon should be conducted by an independent economic consultant who does not work, or has not worked for fishermen or processors; to have a positive effect and early settlement of fish price in Bristol Bay, the study should be completed by mid-April. This means that the process should be implemented, like yesterday. So, those were the six recommendations I have.

ARCHIE GOTTSCHALK - Comments not transcribed.

Roy Smith: I was born and raised in Petersburg. I have fished for 15-odd years, and am a comparative newcomer in the Bay; I've only been there two years, but I just wanted to very briefly give my account of the violence that I saw in the Bay, a couple of instances. I started fishing on the 27th, and the morning of the 28th, the morning that Harold Peterson on the 82 was shot at and forced to dump

his fish, I was fishing along side of him. I did get my nets aboard before the shooting occurred, but I did talk to Harold later that afternoon in the river, and he was visibly shaken and told me what had happened. "I wasn't bodily drug off the grounds, but I was circled, told that my boat should be sunk, that I was on their list and that they had taken pictures of me, I was going to have my picture on their so-called bulletin board, that I would definitely not be forgotten." So, I quit fishing that day; I went in the river and I had heard about Harold being there. I went in the river, and I figured I had to let things cool off, so I quit. I figure I lost at least 50,000 pounds of my production in the time I was laid up in the river.

Begin Side #4

Roy Smith:imagination so far as what violence is. Everything on that radio, and I would also like to say that the captain on the Vigilant, he did say, during the course of his conversations on the radio, that there were going to be possible reprisals by the state if things continued they way they did, and there was some mention of the possibility of jerking limited entry permits on the air. And, I heard guys after that say that they were scared of losing their permits and I noticed that those people that were involved in spearheading the strike efforts on the grounds, fishermen, were definitely subdued after that thing came out over the air. I didn't hear hardly any, you know, those people that were very audible over the air, they backed off completely, and it seemed to me after that point the whole strike effort just kind of. .of course, the final settlement was, came to a head right after that, but it seemed that the whole thing just kind of crumbled after the Department of Public Safety made some threats.

Senator Sturgulewski: Mr. Smith, has it been difficult for you to come forward and testify?

Roy Smith: Well, yes it has. I, being a strike-breaker, it's not a very popular topic. I haven't said anything to anybody except the people I fish close to.

Sen. Sturgulewski: Do you see any particular role, constructive role of the state regarding your comments on the limited entry and the fact that it seemed to hold down the tension and there was perhaps, it affected the fact that a settlement was made, do you see, are you making any suggestions as to what would be an appropriate role for the state?

Roy Smith: All I know is that the Vigilant was there in the mouth of the river and it didn't really seem to make any difference whether it was there or not until, I don't know his name, but the skipper who was on there, at that point he made just the comment that they were definitely going to be some reprisals if things continued, people began to back off. I'm not saying what, exactly, should be the role of the state as far as what they are going to do up there, but I think that thing on the air made a lot of difference. Also, one other instance, I was tied up alongside Mr. Menisch in the Dillingham Boat Harbor the night the guy was threatening him with the flare gun. I was sleeping up in the cabin on the daybunk with the window open. I could have virtually reached out and touched this guy. First, I thought he had a pistol, and I could have been a big hero and jumped out and wrestled the gun away, and all that, but I figured if he knew my partner, he must know me and I didn't think it was the smart thing to poke my head out the door. But, he did say later that he had a flare gun and I saw him throw the oil in the boat and said he wanted the captain to

show himself and he was going to kill him, that he was going to tear his heart out. He said, "I'm going to count to 10 and if you don't show yourself I'm going to torch your boat." He got to 8 and at that point one of the crew members said, "He's not here. Please, don't do anything. He's up in town." The guy ranted and raved and mumbled and said he would find him and be back if he didn't. That was that, but I helped skipper the boat; I filed a complaint against them as a witness in Dillingham and I didn't really keep up on what happened after that. He spent the winter in Seattle, the skipper involved, and I didn't really keep up on it but that's basically all I have to say.

Present: Rodey, Chuckwuk, Hurlbert, Sturgulewski

Meeting was convened at 3:40 p.m.

Phil Daniels: In my judgment, the State has two overwhelming interests in Bristol Bay. One is to see that that resource is harvested. In the last two years, we have put 150 million pounds of salmon up the river that could have been harvested; that's 10 million fish in 1979 and 20 million last year. The value of that product at prevailing prices is perhaps \$90 million that could have gone into the hands of the fishermen. The value of the first wholesale level to the processors, I don't have a figure on. But, an enormous problem exists in the Bay and it is in the best interest of the State, in the best interest of the processors, and the fishermen to see that those fish are harvested in the future. I think there are grave implications if we continue to put large numbers of fish up that river, or the rivers in Bristol Bay, as far as the 200-mile limit legislation is concerned. If we continue to put those fish up there in massive amounts, there is no reason why the Japanese won't try to come back in and reestablish themselves in the High Seas fisheries to take those fish. Elmer Rasmussen, at a recent INPC (?) meeting last fall, this was discussed and he is a member of that group and people pointed out, of course, that we had a social problem in the Bay and we did not lack the will or the desire or capability to harvest those fish and, consequently, perhaps the Japanese would not be able to make such a request stand. Elmer Rasmussen's evaluation was that that's not an adequate defense and the thing that makes me nervous is the decision of whether or not the Japanese will ever be allowed to reap or harvest more of those fish is not in our hands; it is in the hands of the Department of Commerce at the Federal level. And,

I'm not convinced that we have always been treated as well as we could be treated by the Federal people. We have another overwhelming interest in the Bay, I think, and that is to make sure that the harvest is done in an orderly fashion and that it is done with people obeying civil law. I think we have probably touched enough on the question of violence; I don't want to dwell on it, and I am very pleased that you have been willing to listen to these comments that have been made earlier in the hearings on that question.

I think the thing that is very important to draw forth at this point is that it doesn't matter who was right last year. Whether or not the group I fished with or whether or not the people who chose to sit on the beach was correct. The important point is that it's not working; it's not working for the fishermen. We are wasting an enormous amount of resource; the fishermen themselves have no take-home pay when this kind of scenario takes place as it did last year. The average income probably to the average fisherman in the Bay last year was around \$28,000. That just simply isn't enough. You do not make your payments on that basis. If you have as much as some people have invested in Bristol Bay, ---as much as a quarter of a million dollars, you have nothing to take home. Many of the people that are affected by this situation simply do not have alternative occupations. There are people who come into the Bay from outside the state; there are people who come into the Bay, as myself, from other areas of Alaska, and they may have those alternative occupations, but the residents of Bristol Bay often do not have another alternative. We must address this problem and we must solve the problem. The tragedy in the Bay would be difficult to measure; the tragedy of the last years, very difficult to properly bring home unless you go to Dillingham and you go to Naknek and talk to the individuals who were affected. We had the

two biggest years we've had in recent history in the Bay and it simply didn't work for the fishermen, and that's the reason I think we need to look at some alternative approaches. We need to look to see whether or not there isn't a way to get around the problem. And, the problem, in a nutshell, is only partially answered if we go in there with public safety presence. The real problem is the fact that in the tradition of the Bay people have chosen, and perhaps it's both parties faults, perhaps it's both the processors and the fishermen, that they have chosen to wait until to the point when the fish are going up river before serious negotiations begin to take place. That's where the problems occur and if you wait until those fish start going up the river before you get serious about negotiations, then people get hysterical because they are losing money, and we need to look at that; whether or not there is a way to get around this problem of sitting back and letting happen what happened the last two years and what has, indeed, happened in previous years in Bristol Bay. //

Representative Hurlbert: Isn't that usually always the way negotiations happen, though, in any endeavor; that they always wait until the climax of a critical stage? In other words, if we look at an airline strike, whenever, the first few days are probably all right until they start backlogging with people wanting to travel and things really pile up on them before they really get to serious negotiations. In comparing tht with the fish run, you see my point?

Daniels: I certainly agree that that very often is the case, but I think that's one reason the State should be so interested in this problem. We're not dealing with unions. The laws tht govern union negotiations do not prevail in this particular case; these are independent businessmen and the law, you can take an arbitrator

and take him into a situation where the laws that govern union negotiations prevail and you can bring the parties together; you can reach agreement, you can force agreement virtually. In a situation such as the Bay, none of these laws prevail, so that's the reason the state needs to take such interest in Bristol Bay. The idea that we are going to have some prevailing, rational solution occur if it's simply left up to the fishermen and the processors does not seem, to me, reasonable. I do not think we are going to reach a solution in Bristol Bay unless the State takes a real interest in this negotiating process. I think we are going to see a continuation of what's happened in the past. There are some things I'll say in addition on that problem of negotiation.

Representative Hurlbert: In this situation, as you perceive it, who has the heaviest hammer, the fisherman or the processor.

Phil Daniels: The processor, without a question. Processors are much more sophisticated in dealing with the market. They know what's happening to a degree that the fisherman can only speculate. That's the reason the marketing analysis is so important. You've got to have this information in the hands of the fishermen, and then maybe the fishermen will have a better opportunity to arrive at rational requests as far as price is concerned. There are several things that could be done, I think. One of them, of course, and perhaps the most desirable thing that could happen in Bristol Bay, is vertical integration, co-ops. Now, I think the State should look at that. Right now, we are putting up \$100 million, or may be in the process, of putting up \$100 million for pack financing. Why can't we put up money and make it available so fishermen can process their own fish? The fishermen that I'm involved with in the Bay this next year, I'm not fishing for Icicle Seafoods this next year, we're going to do our processing. There's

ten of us who have gotten together and formed a joint venture. There are two or three things you have to have to make a co-op work. What usually happens when you form a co-op, people go out and they hire somebody that everybody likes, but who doesn't know anything about processing fish. Well, it's destined a failure when you do that. The guy you want to get is somebody like Denton Sherry (?) that everybody hates, but a guy who understands the market, who understands how to process and sell fish. That's an essential ingredient. The other essential ingredient is to make sure you are properly funded, and what usually happens is a co-op gets together, they don't have adequate funding, so they go borrow it from the Japanese, and once you take from the Japanese, you've had it. We talked to a processor, we have a processor, of course, that we've hired to run our operation and he has long years of experience, and one of the people he sold to last year in Bristol Bay, we were in a recent conversation with him. . . . he didn't borrow any money from them, he sold his pack for an average of 50% more than what Tertano (sp.?) paid for his pack, and that's one tremendous amount of money. That's one of the biggest problems in the Bay; in fact, it's beyond just the what would affect the co-op. Once you take money from the Japanese, they have got a hammer-lock on you. We've got to get around that somehow. In addition to vertical integration, whether it be co-ops or joint venture, which is what we have, it's so close to a co-op, the only difference is a couple of legal matters in the reason we chose to go that route, when you are fishing for yourself, you don't have to sit on the beach, you don't have to worry about the price to the last penny, but that's still, even though I have that going for me this year and the guys I'm with have that going for us, it still doesn't solve the problem of the people who have to face the transitional problems we have had in the Bay, so we need to continue to work on it. Maybe co-ops, and encourage them, but there again, the State needs to intervene there

and make sure they are set up right, and I don't mean dictate to them, but we need to educate people on what it takes to put this kind of business venture together. It's not simple. The group we have. . . . we have a sophisticated group and, even then, we have had to work hard to put the elements in place. That's one solution. A possible other solution. . . .

Representative Chuckwuk: Do you believe the processor manipulate the market by letting the fish go by until. . .

Phil Daniels: Absolutely. The reason that thing didn't work last year, the State had a task force last year that studied what are we going to do with the surplus fish that are going to occur in Bristol Bay this year. The industry estimated that they could process 37.1 million fish. I'm not sure those figures are correct, but I believe in a year when you have such substantial surpluses of fish, as we had last year; we're looking at 40 million sockeye coming back in Bristol Bay alone, there's every reason to suspect that many processors simply didn't want to harvest all that product. Sometime when you harvest that much product it's hard to get rid of the product; so, when I'm a fisherman and I want in to you and you're a processor, and I say, "I'm going to strike; I'm not going to catch the fish you don't want to harvest in the first place," I'm not putting any pressure on you. I'm not hurting you a bit; I'm playing right into your hands, and I'm not at all convinced that the industry, the processing industry's willingness to say that they could harvest 37.1 million fish was correct. I think, indeed, that they were perhaps in their own judgment, and perhaps in reality, better off not to harvest that many fish. . . . As a long-range plan, we should look at the commodities market. I think that has a real possibility for the state of Alaska when it

comes to these gluts of fish, because there, even though you have a glut of fish in a given time period, you still have the ability to control the flow of products so you don't dump them on the market all at once. This could, possibly, have real bearing for future situations but the problem with that, of course, it's not something we can do now. I think there is another factor that's coming to play in this operation that should be talked about, and I'm not sure the Committee is aware of it, but the primary processing law is in the process of going down the tube, as of about next Monday most likely, the changes are about 90 out of a hundred that there will no longer be a primary processing law. The primary processing law stands in relation to the processor about the way limited entry stands in relation to fishermen. If the primary processing law goes down, it's going to have a lot of reverberation; it's the biggest thing that's happened in the fishery in years and years. It has an almost an atomic bomb type effect in the fisheries, or could have. If it goes down the tube, the fishermen are going to be put in the driver's seat in one respect. There is nothing in the world to keep fishermen in Bristol Bay from getting on an airplane and going over to Japan and saying, "We have 200 boats or we have 300 boats, and we can bring these boats into the Bay...rather, we will sell these fish to you if you will bring the floating processor into the Bay to buy the fish." It puts the fishermen in an extremely good position; it would cause, in its initial phase, I believe, and I'm not sophisticated in this. . . . it should cause a tremendous surge of competitive buying between the established processors, American processors, and whatever foreign processors come in there. The long-term effect, there are some down sides to it, I am not convinced in the long run that our industry can compete effectively with the foreign processors. The foreign processors can hire labor a lot cheaper

than we can. I think our industry is in grave, grave difficulty and I think perhaps they will not survive, and, so, in the long run, you might actually see a demise of our in-shore based industry. If, when that happens, you end up with only the Japanese in Alaskan waters buying fish, then you are right back under the Japanese domination. I don't see any reason in the world, however, why the Germans and the Hungarians and the Ethiopians, and a bunch of other foreign presences might not make themselves available to buy those fish, so you might still get considerable competitive buying going. One thing I'm very disappointed in is that I've asked the Administration about 6 or 8 times over the years to do a study of primary processing. The reason I'm interested in it is that three years ago in Bristol Bay, the fishermen were being paid 90 cents a pound for their fish; you could freeze those fish in a round(?), take them out to a Japanese trapper, and sell it to them. . . . sell them to the Japanese for \$2.68 a pound; now that's one heck of a margin and I, as a fisherman, would be a lot happier to see more of that money going into the hands of the fisherman. If our primary processing law fails, it's a possibility that more of that more of that margin will, indeed, go into the pockets of fishermen, but the down side of that whole issue, of course, if we lose our primary processing law will be the loss of
(408) a lot of _____ and, of course, that's very undesirable. So, it's not all pluses, and I certainly don't want to set myself up and say that I want to get rid of all our in-shore processing capabilities. The best of all possible worlds, you have your in-shore based processors, your American floaters, competing with whomever else wants to come in. . . .you get a real stimulus to competitive bidding. Whether or not the state wants this to happen, it's likely to happen within a week and then, of course, the State has to decide what their attitude is going to be. . . . What we need to do is sit back and ask what are the implications, is it better to let that go, what shall be the state's

- (424) attitude toward these foreign _____ ? _____ if they do come in? Another big factor, of course, will simply be whether the fishermen are willing to go out and put their act together and say, we have 200 permits and we deliver x amount of fish if you will come in. I think, by the way, that factor in the Bay cannot be over-emphasized. The traditional problem in the Bay is an adversarial relationship between the processors and the fishermen. If I had to fish for some of the guys those guys have to fish for, I'd feel the same way they do. They just absolutely treat you badly. I fished in southeastern and have been treated marvelously. You cannot believe the difference between the way you are treated as a fisherman in southeast Alaska as you go westward, the way you are treated by a processor deteriorates so much that you can scarcely tell you are in the same ballgame from that angle. That has to stop, but that traditional adversarial relationship between the processor and the fisherman has got to stop and one factor that may bring it to a halt is the entrance of more buyers into the Bay, whether they be foreign or otherwise. We really need to do some thinking on this, and I'm not saying that I've done it and I, again, will emphasize that I am not anxious to see our in-shore based industry go on its nose, but I do, indeed, think that's one of the probable things that could result. As far as the existing organizations in the Bay, I
- (451) want to go out of my way to say I think AIFMA and _____ ? _____ , both of the organizations that are there, I've dealt with them when I was a lobbyist for UFA, I think they are good organizations. . . . I hope they will continue to exist, and I hope they will be able to get good prices for fishermen. As far as the state's recommendations I have not seen the report that the Task Force is going to come out with. I understand they are going to do the marketing study and I urge you to urge them to make sure they have

figures in that study. They may be in a contingency basis.
you may not be able to put in specific numbers, but put ranges in
there so the fishermen can look at it and somehow come to a
rational conclusion what a rational price expectation is. You
have to have figures in the study; if you don't have figures in
there, I'm not sure you will have accomplished anything. I
believe there is some hesitancy on the part of one or two people
involved to put actual figures in there because I am sure they
think maybe the processors or the fishermen may criticize them
for it. That information has to be disseminated to every fisher-
man. It will not accomplish this task if you do not get it in the
hands of the rank and file fisherman; it needs to be in a simple
form so people can look at it and read it and come to their own
conclusions.It's got to be simple and direct and easy to
understand. As far as the public safety presence, I personally
believe we need it and the reason I believe we need it is this:
if we were to say O.K., nothing happened of significance and
nothing along the same line is going to happen in the future,
some of the things I'm personally aware of last year could have
resulted in people getting shot. If that happens, and even by
accident, if somebody just happens to be drunk or somebody just
happens to be at the wrong place at the wrong time and somebody
gets shot, we could end up with a total closure in that fishery,
and that's just not desirable; that's not going to help anybody,
and that's the reason I think we need to keep the peace officers
there and I am in support of the fact of having a public safety
presence there. Essentially, things need changed. I think change
is in the wind. I think vertical integration, I think the failure
of the primary processing law, I think a lot of things are going
to change, but I sincerely urge the committee to not take the

attitude that everything has to take care of itself. We are dealing with very unsophisticated situation out there. We need help; that's all there is to it. I have never fished in a fishery before in which I was busy fishing and other people were sitting on a beach, and I'll guarantee you I don't like it. I don't want to get into a justification of what we did last year; again, it is not important what we did last year. What we need to look at is what we're going to do next year and to make sure the fishermen in Bristol Bay get a decent price and an opportunity to harvest those fish without violence.

Representative Chuckwuk:Did you realize last year and the previous years, with the amount of processors we had out there they were only capable of processing approximately 25 million fish?

Phil Daniel: I wouldn't be at all surprised at that. . . .

Representative Chuckwuk: So, in spite of that, if we had a lot of people to fish, because of the capability of the processors to process more than that amount of fish, we still would have had to allow fish to go by, even if we fished every day, because people are placed on limit.What's the point in saying that we had no excuse to waste all that fish, it would have been wasted anyway.

Phil Daniel: I certainly do not want to blame that on the fishermen. . . .When I say that 150 million pounds of fish went up the river in the last two years, I am not pointing that at the fishermen. As a matter of fact, if I were to blame it on anyone, I would tend to blame it on the processors.The processors obviously did not intend to intend to harvest more than 25 million fish, and so that doesn't place the blame on the fisherman, it places it on the processor. Regardless of whose blame it was, the fact that we did put that much fish up the river is the point; we have to do something about that.The processor would be the culprit under that scenario.

Representative Chuckwuk: . . . Do you believe in fishing for a proper price? Say, evidently, you were willing to risk 40 cents a pound, and you consider that to be a profit, so you attempted to go fishing then, is that not correct?

Phil Daniel: I think there are hazards in it, and I think the hazards to be when I say, as a fisherman, that I will only fish at the point where the last penny has been negotiated, I am placing every bit of the risk in the marketplace on the processors. . . . every bit of that risk is on the processor. It seems to me that when you have unstable market conditions, and I go to that processor as a fisherman, and say to that processor, and it depends on the processor. . . . "I'll share the market risk with you; I'll take and, by the way, everybody says. . . . that 40 cents a pound was the prevailing price at the time we went fishing. . . . what we tried to do was share that risk and I would rather have had 23 cents or 25 cents as our profit share; we only got 16.2, and maybe we didn't get as much as we should have. . . . What we were trying to do. . . .

Representative Chuckwuk: You were fishing for Icicle, a bunch of locals who do faithfully fish for processors, land-based processors, they are limited to 6,000 pounds a day. Even in 20 days, you couldn't make a living off of it, assuming that the steady was pretty good, and to settle for 20 cents a pound and getting 16.2 cents profit, that still would not suffice as a means of livelihood. . . . There's a bunch of strikes all over the country. I don't know what means of control they have; nobody works when you and other workers go on strike, or if the State Public employees go on strike, nobody works; maybe its something we need to have a better governing laws implemented to say that the fisherman all can agree to rather than having separate AIFMA or separate WACMA(?) or another independent organization. . . . To me, it is a greater sin for somebody else jeopardizing the

basic livelihood of those people who depend on this source for their income.

Phil Daniels: . . . The real solution, of course, is to get these people fishing for somebody who doesn't put them on a 6,000 pound limit. That's what has to happen, and we have to change that system. That system is almost feudalistic. . . .

END SIDE #1

BEGIN SIDE #2

Representative Chuckwuk. . . . whereas, if everybody agreed to stay, there would be no need for the troopers to be sent out there. Isn't that correct?

Phil Daniels: I would assume if everyone agreed to stay, there would not be a need.

Chuckwuk: Maybe that's something we should look into at the moment. That would be the immediate problem-solving solution. . . . Basically, we're running out of time. . . .

Dean Paddock: 25-year Alaska resident; I came to Bristol Bay as a Fisheries Biologist. . . back in 1956. . . . problem of keeping peace in the interest of the public health and welfare. I think that that problem is going to disappear once we get this matter of everyone making a reasonable profit taken care of, but we're talking here about two different things: we're talking about long-term solutions and short-term solutions. . . . We've got to have some immediate attention paid to the problem. . . . I'm here to tell you there was violence last year. . . I think there was a tremendous potential there for the lid to blow off; the potential of threat was great. I'm just thankful nobody got killed, and they could have. It was very close, a very iffy thing. I saw people behave irrationally, and I saw mob psychology working. I've heard attempts here before your committee to excuse this, saying,

well, that is the way fishermen behave. . . . I cannot accept that fishermen should be allowed to behave at some level we find unacceptable in average civilized people. I think that the State can help by insisting that order be maintained. I know that last year when things quieted down was when Commissioner Nix read his very famous statement; I trust you are familiar with that, and if you don't have it in the minutes of your meeting, I would certainly urge you ask Public Safety to provide you with a copy of that statement. . . . I think that American citizens have the right to expect that the state is going to protect their rights, their privileges, their freedom, their health, and their welfare. . . . Personally, I was never contacted on the grounds and threatened, which was probably just an oversight. I was involved in one situation I would like to relate to you of an individual who was threatened. A gentlemen I fished with last year in 1979. . . . On Sunday morning, June 28th, I was proceeding down the Naknek River, having spent the preceding day, which was Saturday, anchoring up in front of King Salmon. Just before 6:00, I came by the Salamantoff(sp.?) anchorage and I heard Dan Brashand (sp.?) on the radio calling for help. I know Dan Brashand well enough to know that he doesn't call for help unless he bloody well needs help. Right at that moment I was coming by where some of the other Salamantoff boats were tied up, and so I swung alongside one and said, hey, Dan's on the radio calling for help. He turned on his radio and listened to the radio for just one moment and said, "Let's go." So, we went out just as fast as he could go. . . he could home in on where this call was coming from, approximately 9 miles away. So, I followed him. It was 45 minutes before we got there and, in the meantime, we were listening to the radio. Dan had been calling for help from a Public Safety aircraft because there were 8 boats harrassing him, threatening to sink him. Why? Because he had been fishing, had

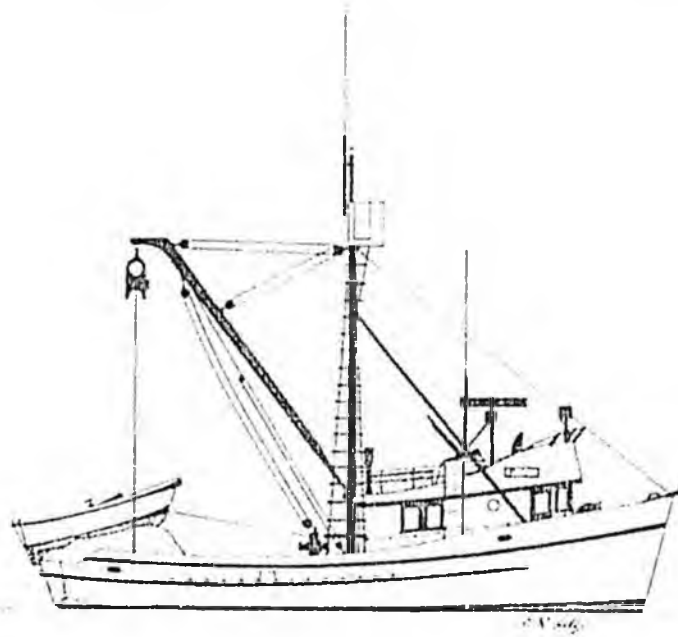
(547) a heavy load of fish and when they started to harrass him, he had to pull in his left shackle, he had 20,000 pounds of fish aboard, most of it in the stern of his boat; he had no free board(?). On the radio, I could hear coming over, Dan said, as he was broadcasting for help, the _____ remarks of the other fishermen coming over Dan's C.B.I could hear what was going on. They were making close passes, Dan was shipping water; he had water in the stern; he was about to sink. Just before the meeting of your committee here, Mr. Chairman, I called and talked personally to the deckhand on Dan's boat.He told me that one of the boats harrassing him had told them, "Put on your survival suits because we are going to sink you."The only reason they didn't is because of the threat of this approaching Public Safety aircraft, which did come, and these boats had left, fortunately. Ken Cassler's evaluation of the situation was that three more passes and they would have had him and when the airplane arrived there, would have found two bodies. When I arrived there 45 minutes later, there were no boats harrassing Dan Brashand; one friend had arrived. This other gentlemen and I who went on that call made three of us. Within a few minutes, the 8 boats that had been harrassing Mr. Branshand returned. They didn't know who we were and they operated on the theory that maybe ^{too} we/were out there harrassing scabs, but they were soon disabused of that when the other gentlemen stood in the door of his cabin and told one boat.if you come another foot, I'll plug you. All this time, I was on the radio talking to the Vigilant and telling them, "Hey, boys, staying in the river doesn't cut it. This is where the action is." I saw three more boats coming off there in the distance about three miles away, coming full throttle. . . . there's going to be some real problems here. As it turned out, it was Dan Branshand's brother and two of his friends. This made the odds 6 to 8, so the other boys disappeared. Incidentally, most of

those guys were young fellows who had been in the fishery at least two years and bought their permits. I don't think that they paid their dues to the fishery by sitting on the beach during those periods when real Bristol Bay fishermen were looking for escapement to get up the river. They haven't paid their dues by spending hours and weeks sitting in international meetings and Alaska Fish & Game Board meetings and hearings and so forth for twenty-five years, trying to deal with these problems in an intelligent civilized way like some of the rest of us have. Before I close, I'd like to mention three other situations where I know violence was mighty, mighty close. Ken Cassner was also deckhanding for a few days earlier when these folks came up, threw an anchor in Harry's anchor, pulled the net out of the water and slashed it. They recovered their net, all right, but this was damaging personal property. A good many fishermen I know would not have accepted that; personally, I would have found it unacceptable. My livelihood depends on that net, and it's expensive. It's a mighty iffy situation when people go about doing that. Incidentally, the reason that Ken Cassner was not. Dan had put them (his wife and kids) ashore the day before because he knew that violence was imminent. Ken Cassner, incidently, says that nothing is going to get him back in Bristol Bay again. Now, maybe there wasn't any violence there, but the threat was there. Another (645) Salamantoff (sp.?) fisherman, Frank Mullens(?), was proceeding in the mouth of the Naknek River, he had no fish aboard; he was going in to attend to motor trouble. He was overtaken by another boat who threatened him with a drawn handgun that if he went out there again, all of these sorts of things. were going to happen. He can identify the gentleman who did it. Ken Cassner can identify the gentleman that threatened him, telling him to put on his survival suit and saying, "We're going to sink you." Clark Whitney,

another Soldotna resident, Salamantoff fisherman, was delivering to a Salamantoff scowl. . .the Naknek River when one boat was very very concerned about the fact that he was fishing and was delivering fish. This fellow ran about the scowl a number of times shouting, as seems to be the popular course out there. . . .this boat came up, put his bow on Clark Whitney's side, and said, "Take a good look at it, you blankety-blank so and so, it's the last thing you are ever going to see", backed off and prepared to ram him. That's when Mr. Whitney raised his shotgun over the window and changed this other party's mind. Now, there may have been no violence there, but I submit that the threat of violence was very, very close. One of the crewmen on my boat left me this year because of the threat of violence. This morning, I talked to Commissioner Nix and asked him what was the status of the complaints made by Ken Cassner and Dan Brashand. They immediately went to the Vigilant, made depositions, and filed complaints including photographs and names of the boats. Commissioner Nix advised me that late in July the Attorney General's office reached the decision that they could not prosecute because it was impossible to identify the individuals involved. This is not what Ken Cassner tells me today. . . .I repeat that there is a crying need for state leadership to cope with these problems.

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Canned Salmon



Pacific Canned Salmon Pack and Value, 1980

Region	Red Salmon		Pink Salmon		Chum Salmon		Total Salmon		Total Value	
	Cases	\$ Value	Cases	\$ Value	Cases	\$ Value	Cases	\$ Value	Cases	\$ Value
Alaska	1,570,561	94,400,000	7,211,907	38,200,000	11,000,000	2,900,000	29,600,000	29,600,000	1,075,000	30,000,000
Rainier	44,500	2,811,000	10,500	1,200,000	1,000,000	1,000,000	2,000,000	2,000,000	10,000	10,000
Foreign	—	—	—	—	—	—	—	—	—	—
Total U.S.	1,615,061	97,211,000	7,222,407	39,400,000	12,000,000	2,900,000	31,600,000	31,600,000	1,085,000	30,010,000
Total Canada	44,500	2,811,000	10,500	1,200,000	1,000,000	1,000,000	2,000,000	2,000,000	10,000	10,000
Total World	1,659,561	100,022,000	7,232,907	40,600,000	13,000,000	2,900,000	33,600,000	33,600,000	1,095,000	30,020,000

Largest Pack Since 1949

Alaska's salmon fishermen landed more than 110 million fish in 1980, the largest catch since 1936, and the third largest catch in the history of the industry.

The catch surpassed the Alaska Department of Fish and Game's preseason prediction of 105 million fish, and, indeed, would have been even larger if price negotiations had not restricted fishing in some areas.

Statewide, catches of coho, chum and pink salmon were larger than anticipated whereas sockeye and chinook catches were lower than forecast. Price negotiations between processors and fishermen in Bristol Bay dragged on through the first

week in July as the fish went in to the rivers. Consequently, the Bristol Bay sockeye catch of 237 million fish was only about 75 percent of that available to the industry and predicted by the ADFG.

By contrast, sockeye catches in Central and Southeastern Alaska were more than twice those projected, despite a lengthy strike by Kodiak fishermen.

Pink salmon returns to Bristol Bay were a disappointment, only about one-third of the expected return, but the pink salmon in southern southeastern, Prince William Sound and Kodiak all returned in numbers larger than expected. Thus, the total pink

catch was about 25 percent over the projected harvest.

The chum salmon catch was particularly good in Southeastern Alaska and up slightly in other areas. The chinook harvest was close to that projected, roughly 320 thousand fish.

Four Million Cases

For the first time since 1949, the Alaska canned salmon pack topped four million cases, led by 1.5 million cases of reds and 2.1 million cases of pinks. In 1937, when a similar amount of salmon were taken by Alaska fishermen, the canned salmon

Continued on page 14

Pacific Canned Salmon Pack and Value

Basis - 48 one-pound cans per case

Year	Alaska		Washington		Oregon		U. S. Totals		British Columbia		Grand Total	
	Pack	\$ Value	Pack	\$ Value	Pack	\$ Value	Pack	\$ Value	Pack	\$ Value	Pack	\$ Value
1961	3,211,962	96,295,650	401,121	14,580,389	86,643	4,077,528	3,699,726	113,953,567	1,405,158	46,151,000	5,104,884	161,104,567
1962	3,474,817	94,330,920	246,659	8,759,824	79,260	3,561,098	3,800,716	106,711,858	1,816,585	55,801,000	5,617,321	162,512,858
1963	2,655,479	67,434,050	569,579	17,383,900	69,799	3,165,843	3,294,856	87,962,799	1,203,271	34,463,000	4,498,127	122,425,799
1964	3,549,379	87,530,030	130,229	4,755,873	79,490	3,476,814	3,759,198	95,760,717	1,255,308	43,676,000	5,014,506	139,436,717
1965	3,267,935	107,708,140	252,190	10,060,225	113,489	4,976,716	3,633,614	122,745,081	913,947	35,060,000	4,547,071	157,805,081
1966	3,990,425	170,546,688	276,363	11,409,197	92,727	4,357,515	4,357,515	136,313,400	1,810,215	64,062,000	6,176,730	200,375,400
1967	3,464,006	52,691,517	485,051	18,631,135	123,288	5,408,690	2,072,345	76,121,342	1,465,708	57,141,000	3,538,952	133,262,342
1968	3,237,982	109,381,249	159,382	6,196,690	50,335	2,437,525	3,447,639	118,015,664	1,746,987	67,426,000	4,194,688	185,451,664
1969	2,293,108	77,735,204	203,447	9,453,822	64,306	3,096,920	2,530,921	90,285,966	624,153	30,110,000	3,175,074	120,395,966
1970	2,564,508	124,577,532	177,984	9,723,838	79,708	4,372,664	3,821,800	138,673,434	1,423,832	58,908,000	5,244,682	197,581,434
1971	2,779,157	99,726,282	463,182	23,275,554	151,017	6,719,640	3,393,356	129,721,476	1,404,005	65,803,000	4,797,361	195,524,476
1972	1,473,157	64,183,924	255,089	12,614,553	44,182	2,501,883	1,773,047	79,300,360	1,172,752	55,134,000	2,748,952	134,434,360
1973	1,134,353	93,313,102	245,600	20,191,935	41,874	3,681,611	1,421,827	112,188,643	1,550,114	127,065,000	2,971,941	239,253,648
1974	1,343,254	58,860,487	345,182	28,460,090	150,536	9,616,710	1,828,972	137,005,287	1,938,882	114,779,000	3,757,854	251,784,287
1975	1,455,455	109,860,487	162,204	14,293,620	9,126	697,000	1,620,785	115,292,000	517,370	43,252,000	2,144,155	155,544,000
1976	2,517,202	150,745,000	135,510	13,946,000	5,850	627,000	2,658,670	265,310,900	1,644,000	79,953,031	3,703,218	265,271,031
1977	2,651,304	180,752,562	201,968	17,949,333	5,465	442,626	2,858,537	199,144,521	1,341,127	106,491,453	4,222,240	305,636,024
1978	3,408,800	247,260,000	11,292	913,000	2,394	380,000	3,422,486	248,553,000	1,126,876	115,843,000	4,549,362	364,396,000
1979	3,109,695	286,421,846	71,066	7,154,762	1,690	203,410	3,181,641	293,780,018	928,076	102,310,839	4,109,717	396,090,857
1980	4,175,440	400,059,731	125,175	14,367,383	--	--	4,300,615	414,427,114	1,304,774	105,336,689	5,403,389	519,763,003

Alaska Salmon

Continued from page 13

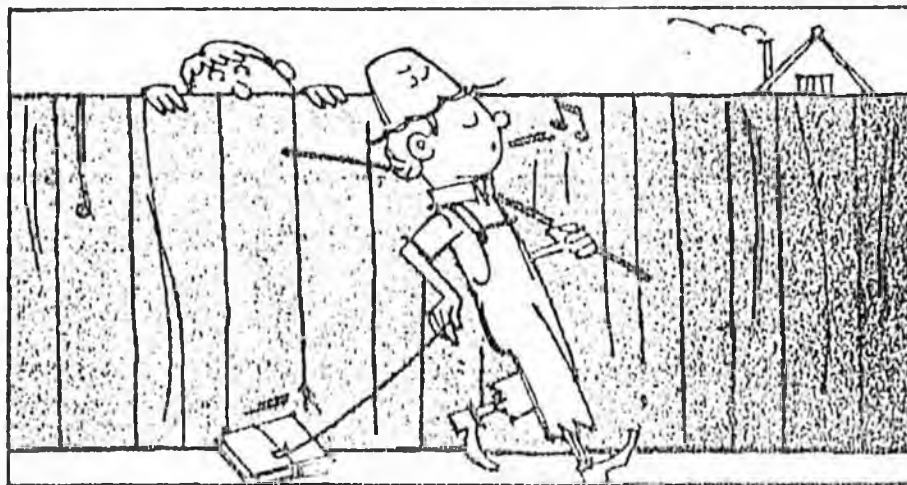
pack was more than 7 million cases, but that pack was made before the days of frozen salmon and the air shipment of fresh Alaska salmon to markets in the "lower 48."

From four to six million

pounds of salmon were flown fresh from Alaska to markets throughout the U.S. during the 1980 season, according to estimates of those in the business. Bristol Bay reds were sold fresh in markets as far away as Dallas and New York at retail prices in the \$2.00 to \$2.50 range.

A combination of circumstances which may not be repeated made the fresh market for Alaska fish attractive in 1980. Buyers were able to get salmon from Alaska fishermen at bargain prices, the troll fishery off California and Oregon was depressed and fish were not

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Alaska Salmon

Continued from page 14

available from that source and the frozen market was also depressed making the logistic problems associated with shipping fresh fish more acceptable. Moreover the quick return on investment characterized by the fresh fish market is particularly attractive during times when interest rates are high.

But lots of Alaska salmon were frozen in 1980. More than at any other time in history. The ADF&G preliminary figures put the fresh, frozen and cured pack at more than 195 million pounds, almost 50 million pounds more than in 1979, in itself a record year.

Last season was the sixth consecutive season that Alaska salmon catches have increased. The fishing industry is reaping the benefits of improved management techniques, a series of mild winters which

have boosted fry survival and, perhaps most important, reduced high seas fishing by the Japanese gillnet fleet.

Southeastern Alaska

In the southern district of Southeastern Alaska, pink salmon returns were more than twice as strong as forecast, allowing a harvest of 13 million fish. Pink runs in the central and northern districts were weaker than expected, hindered by the runs to Tenakee Inlet and Peril Strait which were smaller than forecast levels.

Sockeye catches were strong in nearly all areas of Southeastern, although Lynn Canal harvests were below average, as had been expected. Chum harvests were much better than projected.

Despite a slow start and a ten day closure in mid July, the troll chinook fishery reached the upper limit of the optimum yield range set by the State of Alaska and the North Pacific Fishery Management Council and was

accordingly closed on September 21. Coho landings by trollers were slightly above the projected catch.

Prince William Sound

Copper River sockeye runs were weak in 1980, and the Copper and Bering River districts were closed for much of the season. Escapement to interior Copper River systems was adequate, and Copper River delta and Bering River escapements were very good.

A closely managed quota fishery for chinook in the Copper River district resulted in a catch of only 8,400 fish, 1,600 fish below the quota. Bering and Copper River coho catches were larger than anticipated, and coho escapements into Copper River delta streams were the largest ever counted.

Price disputes on sockeye salmon and pink salmon resulted in low effort as the

Continued on page 16

RACQUET Olympic AND HEALTH CLUB

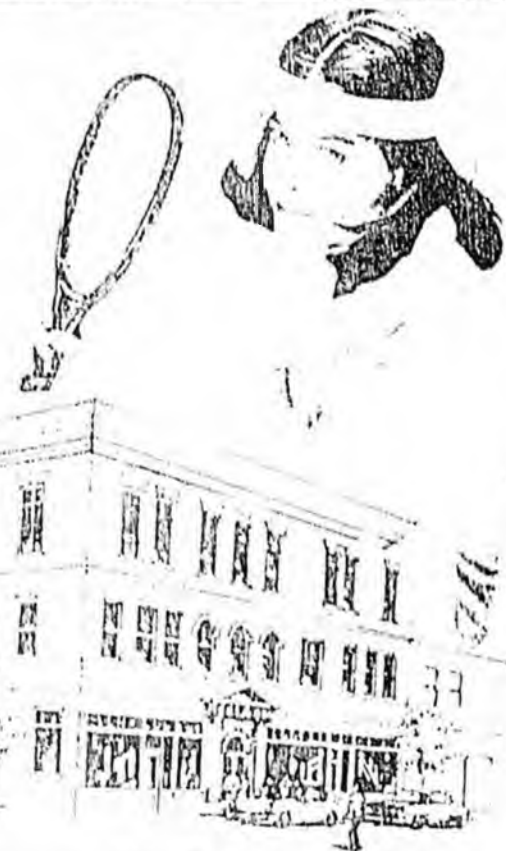
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Alaska Salmon

Continued from page 15

season opened in the Coghill district of Prince William Sound. A price was finally achieved on July 15, the day before the seine season opened, and by the end of the season, more than 14 million pink had been harvested, setting a new record.

Cook Inlet

Sockeye runs into upper Cook Inlet were late, but stronger than expected, so additional fishing time was allowed. The 1.6 million fish sockeye harvest, combined with 2.7 million pinks and smaller amounts of chinook and cohos gave upper inlet fishermen an average season.

Some areas of Cook Inlet were opened to fishing in 1980 for the first time in ten years, and the 70,000 fish sockeye harvest in the lower inlet was 50 percent above average for that area.

Kodiak

More than 19 million salmon of all species were harvested in the Kodiak management area in 1980, a record catch. Pink salmon runs were strong, as forecast by the AD&G, and the 17.3 million fish catch would have been higher, but a price agreement was not reached until July 24, both harvest and escapement were records. A few systems in the mainland district received only poor to fair escapement, and too water in early July and August may have affected spawning success in a number of areas.

Good sockeye escapements were obtained in many of the district rivers, owing to the prolonged price negotiations. Kasiluk River sockeye returns, however, were poor.

Chum salmon landings in the Kodiak area were about four times average, and produced the best October sales. 1981 B-catch

Continued on page 17

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United States Canned Salmon Pack

Basis 48 one pound cans per case

Year	King	Red	Silver	Pink	Chin	Steelhead	Total	Year
1941	363,152	1,409,175	457,559	4,309,258	800,000	17,400	7,331,629	1941
1942	417,110	1,793,428	496,241	2,830,668	1,700,666	21,157	7,015,066	1942
1943	488,959	2,008,115	494,827	2,799,529	808,559	46,400	7,206,097	1943
1944	497,097	1,629,477	705,958	3,094,137	706,150	29,000	7,106,667	1944
1945	481,776	1,733,954	765,356	3,541,214	600,000	49,000	7,363,029	1945
1946	470,794	1,700,000	770,000	3,500,000	600,000	50,000	7,090,794	1946
1947	472,428	1,876,754	800,000	3,870,000	600,000	50,000	7,671,182	1947
1948	489,175	1,930,000	800,000	3,800,000	1,000,000	50,000	7,969,175	1948
1949	497,000	1,970,000	800,000	3,900,000	1,000,000	50,000	8,157,000	1949
1950	508,959	1,800,000	800,000	3,800,000	1,000,000	50,000	8,400,959	1950
1951	504,831	1,800,000	800,000	3,800,000	1,000,000	50,000	8,400,831	1951
1952	505,178	1,800,000	800,000	3,800,000	1,000,000	50,000	8,405,178	1952
1953	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1953
1954	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1954
1955	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1955
1956	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1956
1957	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1957
1958	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1958
1959	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1959
1960	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1960
1961	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1961
1962	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1962
1963	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1963
1964	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1964
1965	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1965
1966	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1966
1967	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1967
1968	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1968
1969	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1969
1970	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1970
1971	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1971
1972	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1972
1973	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1973
1974	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1974
1975	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1975
1976	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1976
1977	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1977
1978	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1978
1979	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1979
1980	500,000	1,800,000	800,000	3,800,000	1,000,000	50,000	8,300,000	1980

Alaska Salmon

Continued from page 17

of the long periods allowed to harvest the pink runs, commensal catches were good as were chinook escapements in most areas.

Chignik

The 1978 sockeye run to the Chignik area was disappointing and escapement goals were reached only by a heavy release of fish from the 100 to 500 pound and Bullock Bay. The late catch however was strong and 10,000 were able to take about 90,000 fish from the run.

Pink salmon returns to the area reached 1.5 million fish slightly lower than forecast but within the MDEGC target. Chinook, coho and chum harvests were also better than forecast and the 1978 total of 1,190,000 fish was a record.

South Peninsula

The salmon fishery in the South Unimak Shumagin Island area was delayed until June 15 by price negotiations, but catches of sockeye and pink were exceptionally good. The fish, however, were small and some processors had trouble handling the pinks. South Peninsula pink runs were stronger west of Volcano Bay, and both chinook and pink salmon escapements were generally small.

As in 1979 an unusually large number of coho were taken in the Shumagin Island in July and early August.

Aleutian Island

Pink salmon returns to Unalaska reached record levels and purse seine deliveries exceeding 25,000 fish were common. The bulk of the catch was taken in Midway Bay although pink runs were heavy throughout the area.

North Peninsula

Chinook, sockeye, coho and chum runs were strong in all North Peninsula systems during the 1980 season.

Most of the sockeye catch came from the Bear River area and Nelson Lagoon. The Ezenbel Moller Bay section produced the bulk of the chum harvest and Port Heiden was the center of the early chinook fishery.

An unusual number of rack chinooks were taken in Nelson Lagoon.

Bristol Bay

A record 28 million salmon were taken during the 1980 Bristol Bay salmon season despite a lengthy strike which held the sockeye catch to 23.7 million fish, only one million fish less than the record catch set in 1938.

The chinook harvest was only about half of what was expected, but escapements to the

Continued on page 18

Pack of Alaska Canned Salmon By Species and Value

Basis 48 cans per case cases per case

010		012		020		030		040		TOTAL	
Cases	Value	Cases	Value	Cases	Value	Cases	Value	Cases	Value	Cases	Value
1,000,000	10,000,000	1,000,000	10,000,000	1,000,000	10,000,000	1,000,000	10,000,000	1,000,000	10,000,000	4,000,000	40,000,000

Alaska Salmon

Continued from page 17

Nushagak system were high

A strong color return and late season effort pushed that catch to over 300,000 fish to set

another record. Chum salmon catches and escapement were also exceptionally good.

Arctic-Yukon-Kuskokwim

Record chum returns to the

Yukon, Kuskokwim and Kozubue Fisheries helped produce the largest commercial catch ever recorded in the region. A total of 3.3 million fish were harvested, a million fish

Continued on page 1

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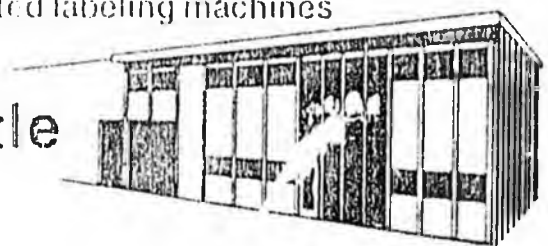
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Alaska Salmon

Continued from page 18

more than the most recent five-year average.

Chinook returns to the Yukon River system were the largest ever recorded, as were the summer chum salmon harvests in the Yukon and Kuskokwim Rivers. Chum returns to Norton Sound and chum harvests in Kotzebue Sound were above average.

Record numbers of coho were taken in the Quinhagak, Goodnews Bay and Kuskokwim River fisheries.

1981 Forecast, —Alaska

75 Million Fish Catch Predicted

Alaska salmon fishermen will catch fewer fish in 1981 than in 1980, but the predicted 75 million fish harvest is well above the ten-year average, and substantially more than the catch in any but the last two of the past ten years.

The decline in the 1981 catch will be felt mostly in the pink salmon fisheries, which are expected to be small in almost all areas of the state. Catches of other species of salmon are expected to be similar to those made in 1980.

The Alaska Department of Fish and Game which prepares the annual forecast late in December predicts that the total catch will be no less than 60 million fish and no more than 95 million.

Salmon catches in Alaska have increased consistently since the low of 22 million fish taken in 1970. The steady improvement

Alaska Canned Salmon Pack

Based on an equivalent to 42 one-lb. cans

1945002-1030 ALASKA

Year	Sal	Pink	Chum	Coho	Trout	Total
1951	21,317	1,296,267	564,115	266,214	616	2,108,529
1952	36,520	201,222	522,509	157,222	2,756	1,491,229
1953	176,969	176,716	511,866	26,961	1,658	977,161
1954	147,297	11,166	709,792	67,966	2,442	1,938,961
1955	11,561	169,296	11,611	11,556	1,277	303,297
1956	1,169	266,214	11,611	11,611	1,169	1,017,711
1957	1,169	266,214	11,611	11,611	1,169	986,872
1958	11,611	11,611	11,611	11,611	11,611	1,181,179
1959	11,611	11,611	11,611	11,611	11,611	759,561
1960	11,611	11,611	11,611	11,611	11,611	317,681
1961	11,611	11,611	11,611	11,611	11,611	1,221,711
1962	11,611	11,611	11,611	11,611	11,611	211,711
1963	11,611	11,611	11,611	11,611	11,611	1,261,911
1964	11,611	11,611	11,611	11,611	11,611	261,811
1965	11,611	11,611	11,611	11,611	11,611	1,301,911
1966	11,611	11,611	11,611	11,611	11,611	411,711
1967	11,611	11,611	11,611	11,611	11,611	1,341,911
1968	11,611	11,611	11,611	11,611	11,611	411,711
1969	11,611	11,611	11,611	11,611	11,611	1,381,911
1970	11,611	11,611	11,611	11,611	11,611	211,711
1971	11,611	11,611	11,611	11,611	11,611	311,711
1972	11,611	11,611	11,611	11,611	11,611	411,711
1973	11,611	11,611	11,611	11,611	11,611	511,711
1974	11,611	11,611	11,611	11,611	11,611	611,711
1975	11,611	11,611	11,611	11,611	11,611	711,711
1976	11,611	11,611	11,611	11,611	11,611	811,711
1977	11,611	11,611	11,611	11,611	11,611	911,711
1978	11,611	11,611	11,611	11,611	11,611	1,011,711
1979	11,611	11,611	11,611	11,611	11,611	1,111,711
1980	11,611	11,611	11,611	11,611	11,611	1,211,711
1981	11,611	11,611	11,611	11,611	11,611	1,311,711

Year	Sal	Pink	Chum	Coho	Trout	Total
1982	11,611	11,611	11,611	11,611	11,611	1,411,711
1983	11,611	11,611	11,611	11,611	11,611	1,511,711
1984	11,611	11,611	11,611	11,611	11,611	1,611,711
1985	11,611	11,611	11,611	11,611	11,611	1,711,711
1986	11,611	11,611	11,611	11,611	11,611	1,811,711
1987	11,611	11,611	11,611	11,611	11,611	1,911,711
1988	11,611	11,611	11,611	11,611	11,611	2,011,711
1989	11,611	11,611	11,611	11,611	11,611	2,111,711
1990	11,611	11,611	11,611	11,611	11,611	2,211,711
1991	11,611	11,611	11,611	11,611	11,611	2,311,711
1992	11,611	11,611	11,611	11,611	11,611	2,411,711
1993	11,611	11,611	11,611	11,611	11,611	2,511,711
1994	11,611	11,611	11,611	11,611	11,611	2,611,711
1995	11,611	11,611	11,611	11,611	11,611	2,711,711
1996	11,611	11,611	11,611	11,611	11,611	2,811,711
1997	11,611	11,611	11,611	11,611	11,611	2,911,711
1998	11,611	11,611	11,611	11,611	11,611	3,011,711
1999	11,611	11,611	11,611	11,611	11,611	3,111,711
2000	11,611	11,611	11,611	11,611	11,611	3,211,711

in commercial catches from the disastrous levels of the mid-1970s, while aided by milder weather, could not have occurred without the escapements obtained from 1971 through 1976 when state-wide harvests did not rise above 68 million fish. Higher harvest rates during those critical years would almost certainly have emasculated the rebuilding programs carried out by the Alaska Department of Fish and Game.

Southeastern, 10.6 million pinks

Pink salmon returns to Southeastern Alaska in 1981 are expected to allow moderate harvest levels. In the southern part of the region, water levels were low in a number of areas during the 1979 brood year, and escapements were not uniformly distributed. Pink salmon catches in the southern districts will

Continued on page 21

Alaska Canned Salmon Pack

Table 1 - Canned salmon pack, 1948-1980 (in thousands of cases)

Year	Districts (Thousands of cases)						Total
	Alaska	British Columbia	Washington	Oregon	California	Idaho	
1948	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1949	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1950	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1951	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1952	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1953	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1954	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1955	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1956	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1957	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1958	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1959	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1960	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1961	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1962	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1963	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1964	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1965	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1966	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1967	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1968	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1969	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1970	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1971	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1972	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1973	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1974	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1975	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1976	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1977	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1978	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1979	185,000	100,000	100,000	100,000	100,000	100,000	685,000
1980	185,000	100,000	100,000	100,000	100,000	100,000	685,000

Bristol Bay Red Salmon Run

Year	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Salmon (thousands)	100	100	100	100	100	100	100	100	100	100	100	100	100
Chum (thousands)	100	100	100	100	100	100	100	100	100	100	100	100	100
Total (thousands)	200	200	200	200	200	200	200	200	200	200	200	200	200

Alaska Salmon

Continued from page 19

probably decline substantially from those in 1980.

Parent year pink escapements were the best since statehood in the northern districts of Southeastern Alaska and increased catches are anticipated. The total catch is expected to be about 11 million fish.

Prince William Sound Pinks Look Strong

Record pink salmon escapements in 1979 and favorable winter and spring weather conditions are expected to result in a return of 12 million fish and a harvest of 11 million. The natural production of pinks

will be supplemented by 850,000 pinks put into the fishery by the Prince William Sound Aquaculture Corporation hatchery.

Roughly 390,000 chum are expected to be available for harvest from an 10,000 fish run.

Cook Inlet Hatcheries Help

Southern and outer district pink salmon escapements in 1979 were the largest on record, and all forecasting methods predict harvests exceeding 2 million fish. Including Tatka Lagoon hatchery returns, a harvest of from two million to three million pink salmon is expected in 1981.

Continued on page 22

Individual Packs

For almost 20 years we have been collecting and publishing canned salmon pack information featuring the pack by individual firms. During that time, our figures, published early in February, have been within one or two percent of the official figures published 10 months to a year later.

The accuracy of the figures reflects the candor and cooperation of the canned salmon industry in providing the necessary information. In the mid-1960s, however, Japanese interests began purchasing U.S. canned salmon firms. Most of the Japanese firms refused to provide the pack data necessary for accurate statistics, although there are a few notable exceptions. However, as the Japanese interest in the industry grew larger, the flow of information diminished and it became more and more difficult to gather accurate data. Additionally, it became clear that the Japanese trading firms were more than a little interested in the individual pack figures; they were much happier to gather information than to give it.

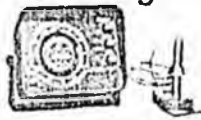
The same year Whitney Fidalgo, one of the four largest packers, was purchased by Kyokyo, they stopped supplying pack data. Last year when Peter Pan Seafoods, another of the top four, was purchased by Nichiro, we were informed by the president of Peter Pan that the firm would no longer supply data concerning their salmon pack.

Inasmuch as almost half the canned salmon pack statistics would not have been available to us this year, we elected to drop those tables from the *Pacific Fisheries Review*. It is not without regret that we did so.

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WASHINGTON REG. NO. 124999 DNR 532259A 1800 4266021

Alaska Salmon

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Kodiak Rains Hurt Pink Fry

Although there were record pink salmon escapements in the Kodiak area in 1979, heavy rainfall and subsequent stream scouring in the autumn reduced fry survival. A pink salmon catch of from three to six million, including some Kitoi Bay hatchery fish, is anticipated in 1981. Total run is expected to be between 4.5 and 7.5 million fish with 1.5 million needed for escapement.

Chignik Sockeye Still Fragile

As in 1980, the 1981 sockeye run at Chignik is expected to be too small to support commercial harvest. A catch from 800,000 to 1.2 million sockeye is expected to be taken from the late run.

Pink fry densities are near recent averages and a harvest of 1.2 million is expected.

South Peninsula Pinks Casualties of Weather

Severe weather in the winter of 1979-1980 and the freezing and thawing of area streams adversely affected fry survival. A return of only 3.6 million pinks is anticipated. Of that return, 1 million must be allowed for escapement, leaving an expected catch of roughly 2.6 million.

Bristol Bay Sockeyes Strong

The preseason forecast of 1981 Bristol Bay sockeye return is 26.7 million fish. Escapement requirements for the entire year will be 5.5 million fish, leaving 21.2 million for harvest. 1981 catch is expected to be substantially above both the

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British Columbia Canned Salmon Pack

Parts 48 one-pound cases

YEAR	Sockeyes Fyaser and So. Coast	Sockeyes Other Districts	Total Sockeyes	Flake	Churn	Cakes & Blacks	Spring	Steelhead	TOTAL Cases	YEA
1961	116,231	281,974	398,205	661,290	95,385	261,179	7,911	988	1,405,158	196
1962	78,567	219,669	298,236	1,188,661	136,683	187,715	7,175	815	1,816,585	196
1963	66,898	121,567	188,465	757,652	119,196	157,681	19,661	210	1,201,271	196
1964	89,718	288,679	378,397	665,107	212,272	266,212	9,179	1,260	1,255,198	196
1965	156,187	196,187	352,374	287,925	65,216	252,286	18,829	855	913,957	196
1966	113,823	256,296	370,119	61,795	161,254	287,621	16,225	2,699	1,819,215	196
1967	127,597	301,811	429,408	651,162	75,062	386,627	16,625	1,880	1,666,959	196
1968	17,199	511,921	529,120	688,967	229,688	187,522	7,216	911	1,266,989	196
1969	161,321	212,985	374,306	151,198	66,524	27,327	5,401	585	626,151	196
1970	166,011	269,571	435,582	683,777	762,189	318,555	10,025	510	1,621,862	197
1971	281,155	267,611	548,766	502,025	98,579	251,661	11,666	1,290	1,466,065	197
1972	202,688	212,967	415,655	656,264	278,671	81,725	11,685	866	1,122,662	197
1973	200,021	212,661	412,682	655,666	271,165	214,194	11,159	929	1,266,862	197
1974	205,000	212,661	417,661	661,197	279,664	261,661	11,665	1,252	1,266,862	197
1975	212,661	212,661	425,322	666,666	281,666	266,666	11,666	1,252	1,266,862	197
1976	212,661	212,661	425,322	666,666	281,666	266,666	11,666	1,252	1,266,862	197
1977	212,661	212,661	425,322	666,666	281,666	266,666	11,666	1,252	1,266,862	197
1978	212,661	212,661	425,322	666,666	281,666	266,666	11,666	1,252	1,266,862	197
1979	212,661	212,661	425,322	666,666	281,666	266,666	11,666	1,252	1,266,862	197
1980	212,661	212,661	425,322	666,666	281,666	266,666	11,666	1,252	1,266,862	197

Alaska Salmon

Continued from page 23

available, to provide preliminary information well before the season begins.

Considering the variables with which one must work when making predictions about salmon, the ADI & C's record of accuracy is commendable. On

the average, the projections have been too low by 3.6 million fish, or only 7 percent of the average harvest of 54 million fish.

The forecasts for 1981 were prepared by Doug Jones and Karl Holmerster, Southeastern Alaska; Michael T. McCurdy,

Prince William Sound; Tho R. Schroeder, Cook Inlet; L. Malloy, Kodiak; Larry Nicho and Tyler R. Gilmer, Chig Tyler R. Gilmer, South Peninsula; Charles P. Meach Bristol Bay; and Frank Bird, zebue.



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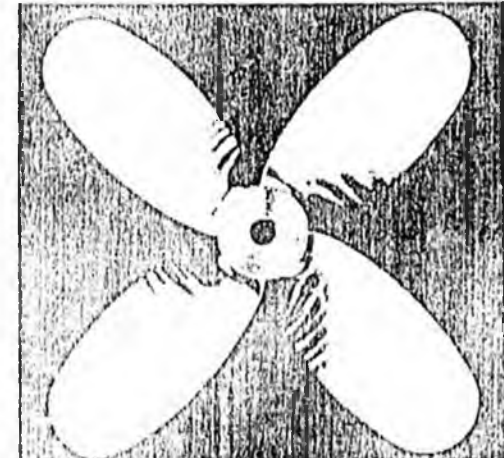
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