

ALASKA LEGISLATIVE COMMITTEES DO NOT DOZ
1654 SJ BRISTOL BAY HEARINGS

Public Safety Concerns



Mitch Kink (Dillingham)

(In answer to Commissioner Nix)
 "No—let me read to you—this went out to our members in 1980 during negotiations. 'No AIFMA member is authorized to make any effort, direct or indirect, to discourage other fishermen from fishing when AIFMA is on the beach. Fishermen have legal rights to fish whenever fishing is allowed by ADF&G. That right may not be legally interfered with.'"

Chip Toma (Juneau)

"I find it highly ironic that the very same fishermen who made limited entry such an emotional issue in 1972 and 1973 are doing the same 'number' to this Legislature in 1981 regarding violence. They are the only fishermen who are dragging this line through the waters—these are the exact same individuals who, in truth, exaggerated our problems in 1972."



Photo: Jack McBride

Roy Smith (Juneau)

"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 and that I would definitely not be forgotten."

(Speaking about an incident at the Dillingham Boat Harbor) "He did say later that he had a flare gun and I saw him throw the oil in the boat and said he wanted the captain to show himself and

he was going to kill him—that he was going to tear his heart out. He said, 'I'm going to count to 10 and if you don't show yourself, I'm going to torch your boat .'"



Ralph and Clara Angasan, Melvin Munson and unidentified participants

Ralph Angasan (Naknek)

"When the SAL SEA BELLE went up the river, they had a police escort who told the boats to get out of the way. Yet the SAL SEA BELLE shot at the boats and no police arrested them."

John Garner (Juneau)

"There's a gray area there, and where you draw the line and where I draw the line may well differ; between scare tactics and violence—we want you to know that there were many fishermen who sat on the beach out of fear for exactly the kinds of reasons that you will hear on this tape. (Reference to a 90-minute tape submitted by Garner which were excerpts of a tape monitoring radio traffic from

Public Safety Concerns

a tugboat in the Naknek River on June 28th).

"We want to make sure that you understand that there, indeed, is a problem and not only that but that it can occur again.

"We also have to recognize that fishermen have the knowledge of exercising their decision to fish or not to fish in a climate that allows them to do it without fear of retaliation.

"We want you to know that there were many fishermen who stayed on the beach out of fear."

Hank Ostrosky (Juneau)

"I'm sorry I didn't bring a tape of some of the proceedings at the Red Dog Saloon in Naknek on a normal Saturday night and it would make that (tape submitted by John Garner) sound like a choir picnic. You got to keep it in context."

Senator Sturgulewski (Juneau)

"When we were at those two meetings in the bay, the whole issue of violence, without question, was down-played. You get a different picture when you have different people giving testimony."



Photo: Karl Ohla

Jim Beaton (Juneau)

"I truly feel that one reason there is a lot of this downplay (of violence) is just purely fear and intimidation—no more, no less. I talked firsthand to 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 kids.

"I think the main reason that most people aren't coming forward and there aren't many cases on the docket is because people are afraid.

"I think the mood was there. I think the situation was not only volatile but the people were hostile. I would hate to see a repeat performance of that in the future.

"I really and truly feel that there are some serious problems up there and I hope they can overcome them.

"I frankly would like to see the other things I mentioned—the vertical integration, the cooperative venture, the check and balance system that would prevent all of this stuff from happening, in lieu of the police force going up there—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."



Jack McBride (Juneau)

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

"Someone suggested that it was fear that prevented people in Bristol Bay from speaking up. I would find it hard to believe that there are over 5,000 cowards in a community that has one of the harshest natural environments in the United States—a community where survival is an everyday fact of life.

Public Safety Concerns

"New controls would only tend to 'accentuate the negative' and will only tend to solidify any adverse positions that have occurred and would leave even less room for useful communication."



Commissioner Nix (Dillingham)

"You put us right in the middle of this whole situation. Where do we draw the line? Do we let Safeway Stores decide to keep out Speedie Stores because they don't like the way they are undercutting them? Do we let the canneries keep out other canneries by use of force and violence because they are going to pay a higher price? Where does this end. Do we just turn our backs on the situations in the bay in the summertime and then come back in the fall to provide you the same protection and the same service that you want to deny someone else during the summer."



Dillingham Meeting

"There was no effort on our part to be very visible until such times as things started to get out of hand. At that time we did make an effort—you all heard the press release I made. I heard it was played once an hour for twenty-four hours but we did not threaten to take away limited entry permits. We very clearly stated what the law says about the use of violence—if you use your boat as an instrument of a crime that boat is subject to seizure as a matter of evidence not because you're engaged in violence but because the person may be committing a crime."

"I have no right or authority to threaten anyone with the loss of their permit or the loss of their boat. It's definitely not within my realm of responsibility—that's not our intent."

"We were not involved last year or the years past or this year in the negotiation process."

"I'm doing my part to play it down with the Alaska fishermen and everybody else. There's a number of groups going around and stirring this thing up. My point in this is trying to play it down and I'm still trying to play it down. The last thing anybody wants is for the Commissioner of Public Safety to get on national television and talk about horror stories that happened in Bristol Bay last year."

Market Study



Andy Golia (Dillingham)

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

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

"Most of all, it would point out who's being fair and unfair in the price negotiations here in Bristol Bay.

"The study should be conducted by a national or international marketing firm which is reputable in the areas of fisheries. I feel this study is highly important and could lead to an early price settlement."

Av Gross (Dillingham)

(Question to Andy Golia) "Let me just ask you—why the marketing associations haven't done this themselves in the past?"
(A study)

Andy Golia

(Answering Av Gross) "Well, I understand that AIFMA had done this in 1980 and the processors did not accept that study, I think mainly because when it was funded by AIFMA there was always the question of a biased report."

Val Angasan (Dillingham)

"This study could be conducive for an early settlement, in that the State Legislature, the people of Alaska, who the resource belong to, might have an inkling of an idea whether or not price offers are fair or not fair. The people of the State of Alaska have a right to know."



Allen Aspelund (Naknek)

"I think if the State would have a similar method (as the State of Washington Survey), I believe you will create for us fishermen a little trust. We don't know what's fair."

Market Study

Rodger Painter (Juneau)

"I'd like to emphasize that probably the best thing the State could do is provide some realistic analysis of world markets for salmon, and I do think it's the State's responsibility. It's a very appropriate goal to get a handle on the realities of the marketplace. I think it is imperative. The State has a responsibility for wise economic management and not only the biological management. The 21 million overescapement last year was a tremendous economic waste."

Hank Ostrosky (Juneau)

"As far as looking at marketing situations and market prices we have to look at existing information. Be sure that you're not buying back information that you already have. The Legislature should finance a marketing study directly with the legitimate fishing organizations."

Mitch Kink [AIFMA](Juneau)

"A comprehensive study of world markets for Bristol Bay sockeye salmon could be conducted by an independent economic consultant who does not work and has not worked for fishermen or processors to have a positive effect on an early settlement of fish prices in Bristol Bay. The study should be completed by mid-April. This means that the process for implementation should be completed as soon as possible."



"If we can get proper numbers then we negotiate on how much we are worth in that industry."

"AIFMA wanted the same thing that you people here want. They want a fair and equitable price and they want to fish 'day one' in the bay. In 1975, we initiated a sliding price scale and we got burned because we did not know the exact numbers. When we had to accept the processor's numbers we did not have a proper sliding scale as far as I am concerned."

Robin Samuelson (Dillingham)

"They (State) should study the market conditions. This money (for the study) should come from the State. I mean we're talking about a renewable resource."

Val Angasan (Juneau)

"What I'm saying is that they (State) come in with a (price) range."

Anthony Balachi (Naknek)

"The study done by AIFMA was not rejected, it was just that it stopped too soon."

Jim Beaton (Juneau)

"I think that it is probably a step in the right direction—providing that any one man could ever really understand the market."

Phil Daniel (Juneau)

"Processors are much more sophisticated in dealing with the market. They know what's happening to a degree that the fishermen only speculate. That's the reason this 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 a price is concerned."

"You have to have figures in this study. If you don't have figures in there I'm not sure you will have accomplished anything."

Market Study



Jack McBride (Juneau)

"A State-funded study by a firm that could supply credible information to both the fisherman and processor would go a long way to establish a price range within which both the fisherman and processor could feel comfortable to negotiate.

"This study should include such things as 'how interest rates relate to the price fishermen get for their fish—what does the fresh frozen market do in relation to the canned market—how does the yen/dollar relationship effect the price of salmon—what does it cost to hold an inventory of salmon in anticipation of a higher price and how are other markets, other than the Japanese, influencing the price of salmon, and where can we find other markets.'

"The fishermen definitely need some facts to work with."



Joe Clark

Recommendations



TO: Senator Jalmar Kerttula
President of the Senate

FROM: Senator Arliss Sturgulewski
Chairman, Hearing Committee

Senator Pat Rodey, Chairman
Senate Judiciary Committee

DATE: March 27, 1981

SUBJECT: Bristol Bay Fishery Hearing Report

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

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

The Special Judiciary Hearing Committee report to Senator Kerttula makes the following recommendations:

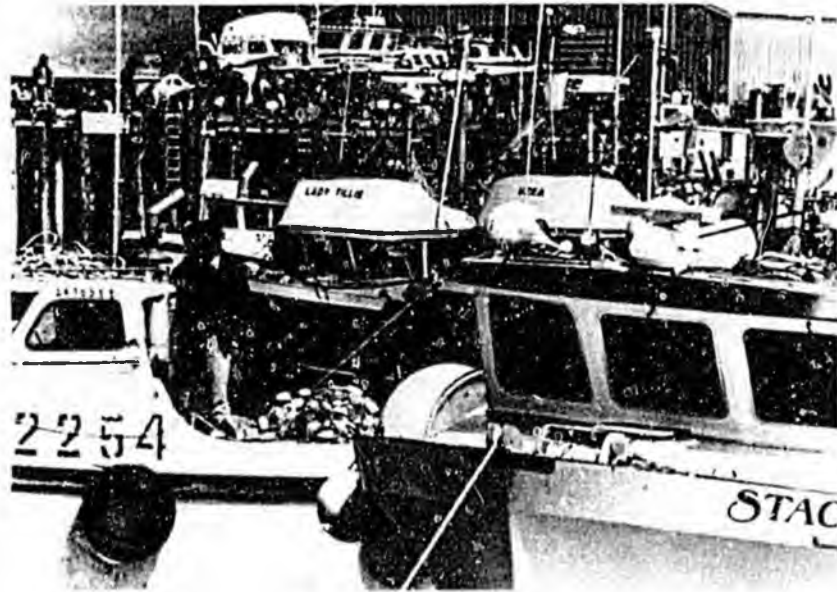
Recommendation No. 1

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

Recommendation No. 2

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

Recommendations



Recommendation No. 3

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

Recommendation No. 4

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

Recommendation No. 5

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

Recommendation No. 6

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

Recommendations



Recommendation No. 7

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

Recommendation No. 8

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

Recommendation No. 9 - Follow Up

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

Attachments

Recommendations



The Governor's Bristol Bay Task Force has announced that the Department of Commerce and Economic Development will have a Bristol Bay Market Study done by May 15, 1981 and will report any substantive changes in market indications up until June 10, 1981. The state project manager will be Development Specialist, Richard E. Reynolds. This study will include the following:

- 1) describe actual inventories, sales, processes and final destination of Bristol Bay sockeye salmon.
- 2) identify firms and describe the structures used in marketing and distributing these salmon products.
- 3) describe processing done after the salmon leave the State of Alaska.
- 4) describe existing demand for Bristol Bay salmon, including sales promotion efforts.
- 5) relate demand to alternate sources of salmon.
- 6) explain how prices are set for Bristol Bay salmon, including the effect of financing mechanisms and production costs.
- 7) present an analysis of market demand, identifying a range of wholesale prices related to different levels of salmon catch.

The Governor's Bristol Bay Task Force has also recommended that the Department of Public Safety develop a contingency plan for the 1981 Bristol Bay fishing season. A special appropriation request will be made to the Legislature to fund additional support services and manpower. It was also recommended that the State should emphasize that public safety must be maintained in Bristol Bay as the legal system defines the unacceptable use of force and pressure tactics.

Is Alaska's bottomfish program being sabotaged?

Alaska's fish processing industry has hit upon hard times. New England Fish Company and Salmatof Seafoods have both shut down or sold out in the past year, despite the widely publicized efforts of state officials to make Alaska processors a major force in world seafood markets. Other Alaska processors are scrapping along hoping for an improvement in 1981.

Three years ago, Gov. Hammond announced that the state was launching a bottomfish development program aimed at replacing foreign floating processors and foreign fishermen, with an Alaska-based industry. Is it a coincidence that since its inception the bottomfish program has been stymied by sharp declines in fish prices relative to the costs of doing business in the industry, or is there a cause-effect relationship between Alaska's announcement of its bottomfish development intentions and the subsequent weakness of fresh and frozen seafood prices?

A good case can be made for the latter. Does anyone seriously believe that foreign processors and fishermen working within Alaska's 200-mile limit will simply bow out meekly because Alaska would like to do big things in their industry? On the contrary, at least in principle the more reasonable assumption is that foreign concerns will do whatever they can to discourage an Alaska takeover.

One weapon at the disposal of say, the Japanese, is their ability to manipulate product prices, to depress them to the point where individual domestic processors cannot make a reasonable profit on their investments.

As measured by the percent change in the respective U.S. producer price indexes, the three year period from January 1978 through January 1981 saw the price of fresh cod filets rise just 1.6 percent per year while ocean perch filets increased 2.6 percent per year. The price of frozen fish blocks rose 1.0 percent per year and the price of fresh salmon declined an average of 1.6 percent per year. During the same period, the overall U.S. producer price index advanced approximately 12.7 percent per year and the all-urban U.S. consumer price index increased 11.4 percent per year.

Although these figures do no more than



david reaume

suggest the need to explore the issue further, it is a fact that foreign fleets would prefer that they be allowed to continue processing large quantities of salmon and bottomfish pulled from Alaska waters. Certainly foreign interests are aware that depressed product prices discourage American entry into what has long been a foreign fishery.

Let us suppose for the moment that fish prices have indeed been held down in order to convince American investors that fish processing is a poor investment. What are some of the implications?

First, under the present conditions and agreements governing the 200-mile Alaska fishery, American processors are not likely to invest the capital needed to capture the processing industry because, individually, each American processor is a price taker. Most potential investors who examine the prospects are likely to conclude that their expected rate of profit is too low. Foreign competition is too tough. Price takers do not drive out price setters.

Second, if Alaska is to become a force in the bottomfish industry, either somebody (the state?) must subsidize the takeover of the industry, or foreign fleets must simply be banned by the federal government from fishing within Alaskan's 200-mile limit. In either case, assuming Alaskan firms were then willing to harvest and process the stocks now allocated to

foreign fleets, an important possibility might arise: The Alaska firms might no longer be forced to accept prices set by lower cost foreign processors. They might find that control of an important part of the world's protein supply made it possible for them to pass their higher costs of production along to consumers (in the U.S. and elsewhere).

Without a good deal more information no reasonable person would advocate massive state subsidies or the federal banning of foreign fleets from Alaska waters. But as the world turns, such information will never become available unless we are willing to accept the possibility that the depression in fish prices is no accident.

Predatory price manipulation by foreign fish processors is not merely a plausible hypothesis, it cries out to be tested. If the hypothesis is correct, it implies either the abandonment of the state's bottomfish program or a major redirection of effort. Business as usual may be a long road to nowhere, travelled at great expense.

□ David Reaume is an economic consultant and investment advisor in Juneau. He was formerly principal economist with the Alaska Department of Commerce and Economic Development and holds a doctorate in economics from Harvard University.

REPORT TO
JAY S. HAMMOND
GOVERNOR

BY
BRISTOL BAY TASK FORCE

MARCH 23, 1981

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

In 1980, the situation became critical. Negotiations between the major marketing associations and individual processors were confused and bitter, resulting in very little fishing until a settlement was reached in early July. During the strike, threats of violence were directed by fishermen who refused to fish for the offered price against fishermen who wished to accept the offer. The threats were effective in reducing the effort until a price settlement was reached. The Department of Fish and Game estimates that as many as 21 million additional salmon could have been taken during the strike period, though cannery capacity probably would have reduced that number. Under any criteria, the loss in value was enormous; to fishermen, to canneries *NOT SO* and to the State, which owns the resource. Moreover, coming on the heels of a strike in 1979, serious question has been raised as to how long other nations which presently are forbidden to take Bristol Bay salmon will remain quiet while millions of fish are wasted during domestic price disputes.

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

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

The Nature of the Problem

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. A Comprehensive Marketing Study for Bristol Bay Salmon:

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

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

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

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

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

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

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

B. Controlling the Climate of the Negotiations:

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

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

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

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

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

or processing personnel as when they are made against anyone else. To do this, we recommend that the Public Safety presence in the bay be increased substantially during this and probably future seasons until a ~~new~~ pattern of dealing with price negotiations emerges. Commissioner Nix has prepared a memo covering what he intends to do in the bay this summer. It is attached. In addition, assuming that adequate funds are appropriated, the Commissioner is planning to charter five vessels so as to be able to patrol the bay from the water.

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

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

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

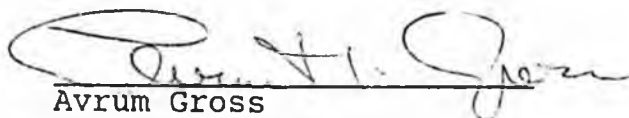
Some had suggested to the task force that additional steps should be taken as protection against violence on the fishing grounds--specifically the revocation of the limited entry permit belonging to anyone who was convicted of a violent act in connection with a fisheries price dispute. Aside from the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

Conclusion

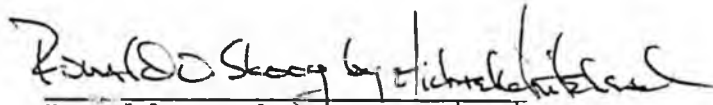
The basic approach of this task force has been to ask the parties involved what they thought would best help the situation, and then attempt to implement those suggestions into an effective government response. We did consider, along the way, more drastic government action, such as opening Bristol Bay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

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


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



Avrum Gross
Executive Director



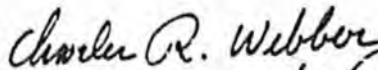
Ronald O. Skoog, Commissioner
Alaska Department of Fish
and Game



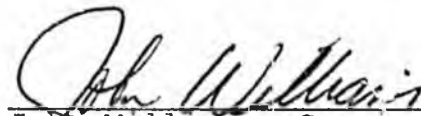
William R. Nix, Commissioner
Alaska Department of Public
Safety



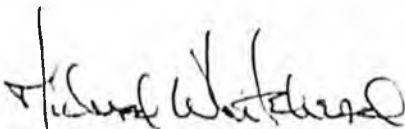
Edmund N. Orbeck, Commissioner
Alaska Department of Labor



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

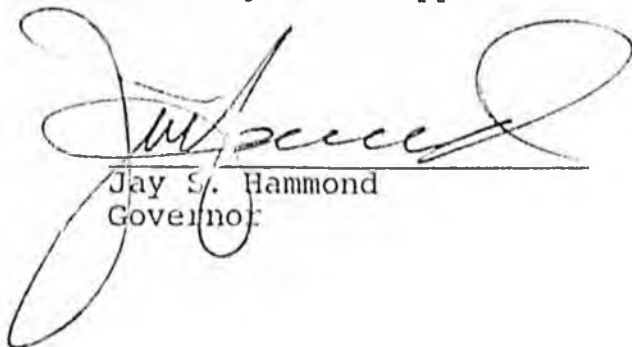


John Williams, Commissioner
Commercial Fisheries Entry
Commission



Michael Whitehead
Special Assistant to the
Governor

This report is approved:



Jay S. Hammond
Governor

March 23 1981

Date

Attachment A

Request for Proposals

Project Topic

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

Purpose

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

Selection of Contractor

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

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

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

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

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

Scope of Work

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

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

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

Time Frame and Deliverables

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

MEMORANDUM

State of Alaska

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

DATE: January 16, 1981

FILE NO:

TELEPHONE NO: 269-5642

FROM: ^{TZA}
Colonel T.R. Anderson
Director
Alaska State Troopers

SUBJECT: Bristol Bay
Contingency Plan

Preface

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

Events Leading to 1980 Strike

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

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

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

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

By the end of three weeks, the per pound price had been negotiated up to 68% and the fishermen returned to work.

The 1981 Contingency Plan

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

DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER'S OFFICE
Juneau, Alaska

FEB 03 1981

Preseason Intelligence

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

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

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

Tentative Schedule of Events

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

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

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

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

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

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

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

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

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

June 10 Red salmon fishery opens.

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

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

- Trooper G. Hooper, video
- Trooper G. Lewis, video
- Trooper J. McGehee, MEDIVAC

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

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

June 22 Projected run will start to peak.

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

Aircraft Transportation to Bristol Bay

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

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

On Site Aircraft Transportation

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

Helicopters

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

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

Watercraft

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

Liaison with U.S. Coast Guard

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

Communications

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

Ground Transportation

Captain Swackhammer will arrange for needed vehicles.

Meals/Lodging

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

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

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

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

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

Prisoner Handling

I. Felony Arrests

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

II. Misdemeanor Arrests

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

III. Mass Arrests

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

IV. Existing Prisoner Holding Facilities

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

V. District Attorney's Office:

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

Attachment

ATTACHMENT

Additional Equipment:

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

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

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

*Helly-Hanson (Norwegian Made)

Alternative Fixed Wing Twins:

Troy Air:

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

Anchorage Airways:

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

Evergreen:

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

Jet Alaska:

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

MEMORANDUM

State of Alaska

TO: Mike Whitehead
Special Assistant
to the Governor

DATE: March 17, 1981

FILE NO:

TELEPHONE NO: 465-4322

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

SUBJECT: Bristol Bay
Approximate Costs

Following are the approximate costs for the ~~five~~ ^{four} (5) boat charters concerning the Bristol Bay contingency plan:

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

\$1000.00 per day x 30 days x 5 ⁴ boats =	\$150,000	120,000
Actual fuel costs only for those boats in transit to and from Bristol Bay, not to exceed 5000.00.		
4 ⁴ x 5000.00 =	25,000	20,000

If contractor provides operator during charter 6/8/81-7/8/81 cost for operator, not to exceed 5000.00.

4 ⁴ x 5000.00 =	\$ 25,000	<u>20,000</u>
Total	\$200,000	160,000

Department Costs

12 Troopers at Sea Duty Pay rate of pay Overtime only =	\$ 51,000	40,800
--	-----------	--------

Transportation to/from Bristol Bay =	8,900	7,120
--------------------------------------	-------	-------

Per Diem, travel status only	4,400	3,520
------------------------------	-------	-------

Equipment - rain gear, survival suits, boots, 385 x 15 ¹² =	\$ 5,800	<u>4,620</u>
---	----------	--------------

Total	\$ 70,100	56,060
-------	-----------	--------

GRAND TOTAL	<u>\$270,100</u>	
-------------	------------------	--

216,060

Archie N. Gottschalk
3-6000, Suite 109
Juneau, Alaska 99801
March 17, 1981

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

In reviewing the different statements made before the judiciary hearings and the administration's special Bristol Bay task force, I would like to make several comments.

A number of persons have stated that what is needed for fishermen is marketing information from which to negotiate on an equal footing with the processors. It is important to assess this recommendation in context of what happened last year during the fishermen's strike in Bristol Bay. First, the Alaska Independent Fishermen's Marketing Association (AIFMA) had a report, the Bristol Bay Sockeye Salmon Cost and Price Analysis, from which to negotiate; second, the AIFMA negotiators had the cost and price analysis in their hands in April, well before the end of the strike; third, the negotiators, when they did settle for their membership, settled below the pricing "break-even point" established in their own cost and price analysis! The negotiators caved in.

One is tempted to say, in light of what happened and what the AIFMA negotiators said, that the leadership of the Alaska Independent Fishermen's Marketing Association sold out their own membership in settling for the price that they did settle for. The fishermen, AIFMA members and non-member fishermen, were caught in the bite of the line not of their making. Dave Milholland, President of the Alaska Independent Fishermen's Marketing Association during the strike, said of the AIFMA members who rejected the negotiators' recommendations: "I told them when I left that they ought to become more reasonable..." The question is this: more reasonable than what? You must realize that, when Milholland made this statement, the AIFMA leadership had pushed for a settlement less than that established in their own cost and price analysis!

(The general membership of the marketing association did not have the Bristol Bay Sockeye Salmon Cost and Price Analysis available to them; the analysis was a closely held document by the association's leadership.)

Senator Arliss Sturgulewski
March 17, 1981
Page Two.

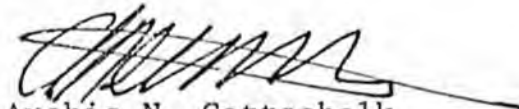
Merely having marketing information available does not mean that the fishermen have an equal footing with the processors in negotiating prices. Even if the fishermen were to have direct information available to them, and not information simply held by the association's leadership, the economic system of the fisheries lends itself to strikes, and the problems attendant to strikes. The marketing, financing, and processing aspects of the fisheries are predominantly controlled by foreign corporations, especially Japanese corporations: they determine the volume of salmon they want to pack, and as we have seen over the years, the price that they want to pay.

Information on marketing is inadequate: the state must examine methods to alter the overall structure, or at least assist those fishermen who want to break the Japanese stranglehold to do so.

Something is greatly amiss when the residents of Bristol Bay, sitting on top of the world's richest resources, must turn to social programs to carry their families through the winter following one of the heavier salmon runs in history.

In light of the price settlement in Bristol Bay last summer, it may be advisable for the legislature to examine how many fishermen broke even, how many lost money, and how many actually made it.

Sincerely,



Archie N. Gottschalk

cc: Senator George Hohman
Representative Joe Chuckwuk

*Ken - H has not
yet seen -*

Archie N. Gottschalk
3-6000, Suite 109
Juneau, Alaska 99801
March 19, 1981

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

In following my testimony before the Judiciary Committee hearing on the problems of the Bristol Bay fisheries, I would like to restate a point that is of the utmost importance to Bristol Bay residents; it has been apparently overlooked by both the Committee and the Governor's Task Force.

Both the Committee and the Task Force have concentrated their efforts in addressing the problems between fishermen and the processor over salmon prices and in addressing problems attendant to a fishermen's strike.

The questions that have been asked seem to revolve around two main issues: First, how may the state best intervene, if it were to, in helping to settle a fishermen's strike in Bristol Bay this summer? Second, what role should the state take to prevent "violence," as conceived by the administration, during a strike?

The basic problem, however, is much broader than the dispute between fishermen and processors: there are approximately one hundred and twenty-five (125) fishermen without markets in Bristol Bay this coming season. What is the state doing to ensure that these fishermen are considered when addressing the fishery problems in the Bay?

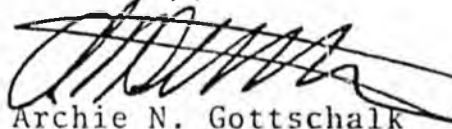
The legislature is entertaining a bill to provide one hundred million dollars (\$100,000,000.00) to processors for this year's season. A tremendous amount of time and effort is being spent in hammering out the provisions for the pack loans, yet little thought is given to the fishermen -- Alaskan fishermen -- who lack markets: the pack loans do not affect the fishermen without markets.

It is important to consider the fishery problems in Bristol Bay in its totality: all the fishermen must be taken into consideration. The time involved is very critical, the solutions must be forthcoming soon; it is already the middle of March. It takes

Senator Arliss Sturgulewski
March 19, 1981
Page Two

time to put any system together. The logistics underlying a commercial fisheries operation are complicated and require time to work out. It is important for you to convey this point in making any recommendation in your report to the President of the Senate. Regardless of what has transpired in the legislature regarding the Bristol Bay fisheries problem, the fishermen who lack markets for this upcoming season must be considered in developing a system to handle the salmon runs in Bristol Bay.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Archie N. Gottschalk', with a long horizontal flourish extending to the right.

Archie N. Gottschalk

SNG:clm

cc: Senator George Hohman
Representative Joe Chuckwuk

Offspring Testimony
in June. 5/19

Val Angasan

Phil Daniels

~~ROY SMITH~~

~~Hank S. Kasky~~

Jack McBride

~~Philip Allen Dwyer~~

~~Jim Bunker~~

Rick Meyer

Ray Gunn

Sean Paddaok

Kick Kauber

~~Eric Eckstein~~

~~Michel Stink~~

~~Archie Potkath~~

~~Frank Woods~~

Juneau

Naknek Alaska

Wellington, AK

Nimilchik, Alaska

Juneau, "

Touneau, Alaska

Juneau, Alaska

P.O. Box 1911, King Salmon, AK 99613

Juneau

~~Juneau~~

~~A.I.F.M.A.~~

~~Juneau~~

~~Seaf River~~

Gristol Bay Hearings
Monday, March 16

- * Roger Painter, United Fishermen (586-2820)
- Richard Lauber, Pacific Seafood Processors (6-6366)
- ** Royal DeVore, Pacific Pearl (276-2181)
- * Eric Eckholm, AK Seafood Marketing (6-2902)
- * Phil Daniels (6-6121)
- Walter Kirk - AIFMA (206-734-1876)
- Bob Blake

** Would not be able to attend; send minutes

* Will testify

Suite 206

4011 Arctic Blvd.

Anchorage 99503



Official Business

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

A G E N D A

Senate Judiciary Committee Hearing

Monday, March 16, 1981
Butrovich Committee Room - 1:30 p.m.

CALL TO ORDER

BRISTOL BAY HEARINGS

Scheduled Testimony:

Rodger Painter - United Fishermen of Alaska
Phil Daniels - Bristol Bay Fishermen's Association
John Garner - Bristol Bay Fishermen's Association
Sidney Smith - Independent
Hank Ostrosky - Independent
Eric Eckholm - Alaska Seafood Marketing Association
Val Angasan - Bristol Bay Native Association
Mitch Kink - AIFMA

ADJOURN



Official Business

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

A G E N D A

Senate Judiciary Committee Hearing

Monday, March 16, 1981
Butrovich Committee Room - 1:30 p.m.

CALL TO ORDER

BRISTOL BAY HEARINGS

Scheduled Testimony:

Rodger Painter - United Fishermen of Alaska

Phil Daniels - Bristol Bay Fishermen's Association

John Garner - Bristol Bay Fishermen's Association

Sidney Smith - Independent

Hank Ostrosky - Independent

Eric Eckholm - Alaska Seafood Marketing Association

Val Angasan - Bristol Bay Native Association

Mitch Kink - AIFMA

ADJOURN

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

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

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

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

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

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

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

Fisherman #2: Fuck you...

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

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

BREAK

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

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

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

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

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

BREAK

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

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

Fisherman #3: ...forced to get a

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

BREAK

Fisherman #1: Shoot 'em!

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

Fisherman #3: God! damned boat!

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

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

BREAK

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

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

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

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

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

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

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

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

(garble)

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

BREAK

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

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

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

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

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

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

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

Fisherman #6: More boats down here.

BREAK

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

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

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

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

Fisherman #5: thats what yesterdays meeting was for...

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

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

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

BREAK

Fisherman #1: Yeah, we need more boats.

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

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

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

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

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

Fisherman...garbled

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

BREAK

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

BREAK

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

Break

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

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

Lockman: Well, what is your suggestion, OK.

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

interupt: pursuit of happiness

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

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

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

Break

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

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

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

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

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

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

BREAK

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

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

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

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

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

BREAK

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

300 S. Ferry St.
Terminal Island
CA 90731
(213) 548-2478

UNITED STATES DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
NATIONAL MARINE FISHERIES SERVICE

January 29, 1981
Compiled by:
Sunee C. Sonu

FOREIGN FISHERY INFORMATION RELEASE NO. 31-2
Supplement to Market News Report

DECEMBER 1980 TUNA LANDINGS AT YAIZU, JAPAN, UP 6%

Tuna and billfish landings at the major tuna port of Yaizu, Japan during December 1980 totaled 15,332 metric ton (MT) valued at ¥6,019 million (\$32.4 million at ¥210=US\$1), according to the Yaizu Fishery Cooperative Association. The landings were up 935 MT or 6% above the December 1979 figure. The increase was due primarily to gains in bigeye, large yellowfin and skipjack landings. Exvessel prices of tuna at Yaizu in December 1980 averaged \$2,393 a short ton (ST) for albacore, \$1,239/ST for skipjack and \$1,857/ST for large yellowfin tuna.

December 1980 tuna and billfish landings and average exvessel prices at Yaizu

SPECIES	Quantity			Average exvessel price ^{1/}					
	1980		1979	1980				1979	
	Dec.	Nov.	Dec.	December		November		December	
	-----Metric ton-----			¥/KG	\$/ST	¥/KG	\$/ST	¥/KG	\$/ST
Bluefin	---	15	---	917	3,961	974	4,167	1,545	5,964
So. bluefin	981	602	1,195	1,757	7,590	1,800	7,702	2,721	10,504
Bigeye	1,543	525	961	647	2,795	653	2,794	1,034	3,992
Yellowfin (lge)	1,753	1,413	1,154	430	1,857	570	1,533	725	2,799
Albacore	367	112	505	554	2,393	557	2,383	514	1,984
Swordfish	90	27	93	600	2,591	822	3,517	719	2,776
Striped marlin	14	18	93	850	3,671	810	3,466	915	3,532
Blue marlin	97	43	62	594	2,566	579	2,477	581	2,243
Black marlin	6	9	66	540	2,332	501	2,143	802	3,096
Skipjack	10,467	9,303	9,473	287	1,239	254	1,036	362	1,397
Total ^{2/}	15,332	12,074	14,397						

^{1/} based on ¥210=US\$1 for December 1980; ¥212=US\$1 for November 1980; and ¥235=US\$1 for December 1979.

^{2/} Total also includes small tuna and some billfish.

---Less than one metric ton.

AMERICAN SAMOA TUNA PRICES, JANUARY 1981

Tuna delivery prices at American Samoa for January 1981 remained unchanged from December at \$1,820 a short ton (ST) for albacore, \$1,340/ST for yellowfin, \$1,140/ST for bigeye and \$1,040/ST for skipjack.

GHANA TUNA PRICES, DECEMBER 1980

Frozen tuna prices at Tema, Ghana for December 1980 were reportedly the same as those for November. The prices for frozen tuna are, per short ton: yellowfin, \$1,182.13 (G.G.) \$1,077.13 (RI); bigeye, \$1,077.13 (G.G. & RI); and skipjack, \$977.13 (RI) \$892.13 (RII) \$677.13 (RIII).

January 29, 1981

SALMON grade 1, head-off, frozen, gillnet-caught
 Red Puget sound, Southeast Alaska, 4-6 lbs \$2.57-2.70/lb,
 6-9 lbs \$2.72-2.77/lb
 Bristol Bay, 4-6 lbs \$2.52-2.60/lb, 6-9 lbs \$2.62-2.72/lb
 Silver 4 lbs & under \$1.60-2.20/lb, 4-6 lbs \$1.67-2.02/lb,
 6-9 lbs \$2.02-2.42/lb
 King 7-11 lbs \$2.72-2.92/lb, 11-13 lbs \$3.03-3.22/lb,
 13 lbs & up \$3.17-3.32/lb
 Chum bright 4-6 lbs \$1.52-1.67/lb 6-9 lbs \$1.32-2.02/lb,
 semibright 4-6 lbs \$1.27-1.37/lb

BLACK COD without collar, Japanese cut
 2 lbs & under \$0.39-0.45/lb, 2-3 lbs \$0.50-0.55/lb,
 3-4 lbs \$0.70-0.75/lb, 4-5 lbs \$0.90-0.95/lb,
 5-7 lbs \$1.07-1.10/lb, 7 lbs & up \$1.10-1.13/lb
 3-5 lbs \$0.63-0.83/lb, 5 lbs & up \$0.93-1.03/lb

SQUID California squid, imports from San Pedro
 5-9 fish/pound \$0.60-0.61/lb

HALIBUT head-off, sidefin-trimmed
 10-20 lbs \$1.47-1.72/lb, 20-40 lbs \$1.37-1.52/lb

SHRIMP Mexican shrimp, brown, head-off, frozen 2kg-blocks
 16/20 (16-20 shrimp per pound) \$5.42-5.60/lb, 21/25 \$5.32-5.55/lb,
 26/30 \$5.21-5.50/lb, 31/35 \$4.50-4.75/lb, 36/40 \$4.15-4.25/lb
 41/50 \$3.69-3.75/lb

WHOLESALE PRICE AT TOKYO CENTRAL WHOLESALE MARKET

January 23, 1981

ABALONE Japanese product, live, with shell
 \$3.32-14-62/lb

SURIMI (minced Alaska pollock meat)
 shore-processed, frozen, grade 2 \$0.63-0.68/lb,
 factoryship-processed, frozen, grade super A \$0.90-0.92/lb

ALASKA POLLOCK ROE salted, processed, Japanese products, grade 1
 small \$5.40-5.65/lb, medium \$5.85-6.30/lb,
 large \$5.40-5.35/lb

SALMON ROE sujiko, imports from Alaska, salted, processed, chum
 grade 1 \$9.00-9.45/lb, grade 2 \$7.05-8.32, grade 3 \$6.75-7.20/lb

HERRING ROE imports from Canada, processed
 large \$10.12-12.37/lb, medium \$10.12-11.25/lb

SEA URCHIN ROE imports from Los Angeles, fresh
 receipts 5,183 trays (tray=0.44 lb) \$1.98-11.88/tray

SALMON imports, red, semidressed, 4-6 lbs \$2.92-3.15/lb,
 dressed, 4-6 lbs \$3.15-3.26/lb
 Mothership-processed, red grade 1
 3 fish (3 fish per 22 lb box) \$3.93/lb,
 4 fish \$3.82/lb, 5 fish \$3.69/lb

Note: Yen/dollar conversion based on ¥202=US\$1.

JAPANESE TUNA PURSE SLINER FISHERY DEVELOPMENTS

The Japanese tuna purse seiner FUKUICHI MARU which is engaged in tuna surveys under charter to the semigovernmental Marine Resources Research Center reportedly caught 308 metric tons of mostly skipjack tuna during the first half of December. The catches were made on 7 sets around schools associated with drifting wood in waters north of Bismark. Another Center-chartered tuna purse seiner HIPPOH MARU (999 gross tons) caught 8 tons of tuna (skipjack 3 tons, yellowfin 3 tons, bigeye 2 tons) during the same period in waters north of Bismark. The catch was made on 1 set near drifting objects.

JAPANESE FROZEN ALBACORE EXPORT PRICES

Japanese export prices for frozen round albacore to the United States in late January were reportedly quoted at around c.&f. \$1,250-1,260 a short ton for west coast deliveries.

U.S. FISHERY EXPORTS TO JAPAN DOWN 11% IN DECEMBER

Japan imported ¥57,329 million (270 million at ¥212=US\$1) worth of fishery products while exporting ¥17,310 million (\$81 million) during the month of December this year, announced the Finance Ministry. As compared to the comparable month in 1979, the imports were down 21.5% while the exports rose 13.5%. The United States sold ¥4,156 million (\$19 million) to Japan, down 11.1%, and purchased ¥3,117 million (\$14 million) from Japan, up 52.9% from the same period last year.

BLACK COD PRICES

Wholesale prices of Japanese longline-caught black cod at the landing ports in Japan in late January were reported to be around ¥735/kg (\$1.65/lb at ¥202=US\$1) for 4 to 6 fish to the case (case=15 kg), ¥592/kg (\$1.33/lb) for 7 to 8 fish to the case, ¥461/kg (\$1.03/lb) for 9 fish to the case, ¥343-350/kg (0.73-0.79/lb) for 11 to 12 fish to the case, ¥300/kg (\$0.67/lb) for 13 to 15 fish to the case and ¥196-260/kg (\$0.44-0.60/lb) for 16 to 20 fish to the case.

WHOLESALE PRICES OF TUNA AT TOKYO CENTRAL WHOLESALE MARKET

January 23, 1981

BLUEFIN TUNA

imports from Miami, Florida, jumbo, fresh, airfreighted
receipt 6 fish highest \$6.75/lb, average \$4.55/lb, lowest \$2.47/lb

BIGEYE

imports from Taiwan, fresh, airfreighted
receipt 9 fish highest \$3.37/lb, average \$2.60/lb, lowest \$1.35/lb

YELLOWFIN

fresh, receipts 20 fish highest \$6.30/lb, average \$3.37, lowest \$2.47/lb

frozen, receipts 204 fish \$3.15/lb, average \$1.35/lb, lowest \$0.78/lb

imports from Taiwan, fresh, airfreighted
receipts 42 fish highest \$7.42/lb, average \$3.45/lb, lowest \$1.35/lb

Note: Yen/dollar conversion based on ¥202=US\$1.

JAPANESE FISHERY IMPORTS, BY SELECTED SPECIES, OCTOBER AND JANUARY-OCTOBER 1980

Fishery Products	OCTOBER		JANUARY-OCTOBER	
	kg	¥1,000	kg	¥1,000
<u>Live</u>				
Young eel	6,046	45,939	122,192	1,920,743
Adult eel	731,617	1,238,130	13,361,425	20,983,250
<u>Fresh</u>				
Skipjack	---	---	81,696	8,437
Yellowfin tuna	1,053,271	1,033,361	9,303,937	9,515,228
Bluefin tuna	27,962	71,087	659,914	1,386,283
Bigeye tuna	135,409	127,938	630,881	626,455
Billfish	72,238	77,769	756,555	805,919
Yellowtail	155,146	108,030	338,579	234,617
Salmon	578	1,952	12,926	16,310
Spanish mackerel	263,418	186,414	3,582,155	1,728,073
Hairtail	2,770	2,216	38,639	24,611
Sea bream	203,385	191,494	1,397,662	1,265,516
<u>Frozen</u>				
Skipjack	328,091	71,990	5,131,120	1,117,879
Albacore	64,538	22,301	606,989	203,656
Yellowfin tuna	1,476,477	698,250	21,251,471	14,540,340
Bluefin tuna	24,840	8,428	332,840	300,937
Bigeye tuna	3,029,683	1,400,369	30,938,177	21,393,168
Billfish	1,242,854	444,824	12,331,718	5,721,127
Herring	1,075,571	266,307	28,018,349	9,848,921
Cod	83,711	23,021	9,037,483	3,472,899
Yellowtail	---	---	16,207	6,228
Jack mackerel	631,659	101,745	3,371,997	568,559
Herring roe	89,138	131,107	188,105	195,884
Cod roe	774,137	338,123	6,766,030	3,990,469
Salmon	4,105,282	3,958,127	36,141,551	28,317,605
Spanish mackerel	506,968	99,451	2,801,836	564,181
Hairtail	151,848	52,962	1,129,462	332,477
Croaker	118,540	44,996	1,334,458	549,637
Sea bream	645,606	190,419	8,442,681	2,750,264
Shark	171,031	37,730	976,897	255,716
Smelt	1,049,609	140,797	31,529,830	8,500,580
<u>Fresh/frozen</u>				
Lobster, spiny	211,200	57,392	2,863,277	5,806,502
Shrimp	14,955,216	23,273,208	116,290,940	198,589,236
Crab	1,595,611	1,591,596	23,009,282	19,529,481
Squid	4,579,841	2,665,679	83,990,615	41,528,224
Octopus	6,606,795	2,977,589	44,611,910	34,870,720
Abalone	163,148	267,254	1,446,753	2,198,863
Clam	2,151,136	351,020	11,732,168	2,623,908
Scallop	5,248	5,335	50,258	72,540
Whale meat	2,272,913	1,076,010	22,942,286	12,901,642
<u>Salted/dried</u>				
Salmon roe	1,616,927	3,273,682	7,811,825	18,310,969
Herring roe	479,321	1,242,426	5,013,150	16,001,381
Herring roe on kelp	1,204	3,150	520,087	976,653
Squid	153,147	275,025	1,554,958	3,232,402
Sea urchin roe 1/	234,563	601,897	1,596,432	4,663,192
Jelly fish and sea cucumber 1/	570,540	397,507	3,680,755	2,686,404
<u>Canned</u>				
Abalone	46,835	129,441	519,090	1,383,759

1/ Includes fresh and frozen

Conversion rate: ¥208=US\$1 for October and ¥226=US\$1 for January-October

JAPANESE FISHERY IMPORTS, BY SELECTED COUNTRY OF ORIGIN, OCTOBER 1980

<u>Commodity & country</u>	<u>Quantity</u> <u>kg</u>	<u>Value</u> <u>¥1,000</u>	<u>Commodity & country</u>	<u>Quantity</u> <u>kg</u>	<u>Value</u> <u>¥1,000</u>
SKIPJACK, frozen			ADULT EEL, live		
Korea, South	24,607	7,048	China, Mainland	18,236	23,046
China, Taiwan	16,040	4,447	China, Taiwan	706,531	1,205,087
Maldives	287,133	60,386	Thailand	6,370	9,184
Panama	261	109	United States	480	813
Total	328,091	71,990	Total	731,617	1,238,130
YELLOWFIN TUNA, fresh/frozen			LOBSTER, spiny, fresh/frozen		
Korea, South	1,195,116	561,848	Indonesia	5,932	4,221
China, Taiwan	1,048,115	1,018,644	India	15,480	21,960
Philippines	33,940	25,027	Nambia	74,381	132,649
United States	396	552	South Africa	5,470	10,227
Panama	247,840	122,965	Australia	20,114	40,390
Total	2,529,748	1,736,611	New Zealand	72,166	138,212
ALBACORE, frozen			Total	211,200	367,382
Korea, South	57,757	18,867	SQUID, fresh/frozen		
China, Taiwan	14,301	2,689	Korea, South	1,449,961	753,167
Panama	2,480	745	China, Taiwan	47,675	62,071
Total	64,538	22,301	Thailand	974,270	618,954
BIGEYE TUNA, fresh/frozen			Malaysia	39,808	21,196
Korea, South	1,839,169	912,368	Spain	558,263	339,656
China, Taiwan	803,378	345,459	Greece	189,315	97,133
Singapore	35,794	21,817	Canada	106,509	24,153
Philippines	14,371	9,859	United States	177,192	49,473
Panama	201,242	115,784	Morocco	476,952	377,108
United States	8,427	1,757	Argentina	14,594	3,468
Total	3,105,092	1,528,307	Total	4,519,841	2,665,679
SALMON, frozen			OCTOPUS, fresh/frozen		
Korea, South	5,000	5,203	Korea, South	876,425	444,159
Korea, North	4,200	865	Thailand	446,758	80,326
Canada	709,405	792,437	Spain	4,314,918	1,918,204
United States	3,263,932	3,108,946	Lybia	224,352	141,592
U.S.S.R.	123,000	51,216	Panama	14,364	8,399
Total	4,105,860	3,960,079	Morocco	490,485	245,130
SALMON ROE, salted, dried			Canary Islands	137,761	68,855
Canada	262,267	489,591	Total	6,668,795	2,977,589
United States	1,354,660	2,784,091	SEA BREAM, fresh/frozen		
Total	1,616,927	3,273,682	Korea, South	124,320	34,736
HERRING ROE, salted, dried			Panama	38,540	21,388
Korea, South	330,044	1,250,756	China, Taiwan	11,028	9,033
Korea, North	1,876	996	Hong Kong	2,232	2,042
China, Mainland	33,162	33,553	Spain	61,920	14,037
Canada	78,560	222,759	New Zealand	265,689	219,485
United States	35,679	54,362	Argentina	162,850	41,922
Total	479,321	1,562,426	Total	848,991	381,913
YOUNG EEL, for fish culture			SEA URCHIN ROE, fresh/frozen, salted		
Korea, South	4,546	38,689	Korea, South	51,466	159,995
China, Mainland	1,500	7,250	Korea, North	54,375	70,716
Total	6,046	45,939	China, Taiwan	17,340	18,015
CLAM, fresh/frozen			China, Mainland	2,310	3,016
Korea, South	48,513	19,230	United States	75,923	279,226
Korea, North	1,012,980	141,691	Mexico	3,813	10,792
China, Mainland	1,089,643	190,099	Chile	23,934	41,012
Total	2,151,136	351,020	Total	234,563	601,897

JAPANESE FISHERY EXPORTS, BY SELECTED SPECIES, OCTOBER AND JANUARY-OCTOBER

Fishery products	October		January-October	
	kg	¥1,000	kg	¥1,000
<u>Fresh</u>				
Skipjack	1,122,867	161,434	17,056,566	2,761,292
Yellowfin	159,660	21,554	713,905	87,313
<u>Frozen</u>				
Skipjack	5,792,475	1,510,110	45,028,744	12,561,987
Albacore	---	---	40,140	21,206
Yellowfin tuna	1,166,451	418,925	9,033,421	3,377,212
Sea bream	28,440	2,572	397,330	43,238
Pacific mackerel	1,003,453	92,910	10,391,722	1,024,522
Saury	1,872,212	323,410	13,557,835	2,576,633
Salmon	127,331	137,478	846,753	717,110
Rainbow trout	32,965	21,220	420,006	298,941
Shark	50,520	15,333	768,776	211,922
Flatfish	23,536	7,913	1,111,123	350,420
Cod	489,731	105,106	6,323,455	1,329,928
<u>Frozen, Fillet</u>				
Shark	100,000	41,891	1,720,086	980,525
Flatfish	1,480,441	622,894	14,797,096	6,328,610
Cod	274,991	121,165	3,865,615	1,770,512
<u>Fresh/frozen</u>				
Shrimp	199,281	239,631	1,578,339	2,315,070
Squid	265,862	101,646	15,454,809	5,701,273
Octopus	38,781	44,512	306,148	303,785
<u>Canned</u>				
Salmon	24,337	25,895	101,542	89,892
Albacore				
In oil	290,592	291,344	3,854,578	4,066,737
In water	896,104	795,897	7,708,498	7,247,729
In tomato sauce	5,716	5,323	26,195	25,262
Other packs	-----	-----	4,753	2,762
Skipjack				
In oil	1,417,220	1,328,343	10,325,638	10,141,613
In water	928,002	696,727	4,941,138	3,917,011
Other packs	102,897	36,868	358,725	216,240
Mackerel				
In oil	817,513	336,998	17,509,394	8,071,354
In water	6,534,673	1,327,556	58,200,311	12,122,411
In tomato sauce	7,341,525	1,777,758	92,068,876	23,407,517
Other packs	34,958	16,707	158,511	83,300
Sardine				
In tomato sauce	5,640,519	1,251,360	42,859,773	10,084,877
Other packs	231,413	49,534	1,503,337	376,386
Clam, little neck				
In oil	861	1,687	8,048	12,794
In water	87,408	42,975	800,996	427,068
Other packs	5,143	3,716	45,452	35,663
Oyster				
In oil	190,736	209,519	936,343	1,106,412
In water	296,028	157,102	1,394,039	789,868
Other packs	300	654	17,007	16,691

Note: Yen/dollar conversion rate: ¥208=US\$1 for October and ¥226=US\$1 for January-October 1960

JAPANESE FISHERY EXPORTS, BY SELECTED COUNTRY OF DESTINATION, OCTOBER 1980

Commodity & country	Quantity kg	Value ¥1,000	Commodity & country	Quantity kg	Value ¥1,000
SKIPJACK, canned			SKIPJACK, fresh/frozen		
United Kingdom	337,533	302,607	Continental U.S.	1,699,105	455,617
United States	386,072	657,366	Puerto Rico	1,840,346	534,103
Germany	38,908	32,070	Papua New Guinea	953,570	128,731
Switzerland	260,409	233,182	Guam	761,405	190,087
Canada	116,091	106,675	Ghana	1,108,020	228,201
Belgium	26,225	23,849	Marianas, Marshalls		
South Africa	210,813	191,895	& Carolines (USA)	169,297	32,703
Syria	61,915	55,036	Total	6,915,342	1,671,544
Saudi Arabia	9,231	8,826	ALBACORE, frozen		
Austria	12,859	11,508	Continental U.S.	194,479	91,963
Egypt	25,719	23,253	Puerto Rico	14,602	6,765
Total	2,448,119	2,061,938	Total	209,081	98,728
MACKEREL, canned			SAURY, fresh/frozen		
Philippines	252,000	42,167	Samoa	939,620	157,045
Papua New Guinea	1,487,231	282,245	South Africa	265,000	52,029
Indonesia	184,966	48,325	Mauritius	100,000	21,266
Singapore	361,909	74,720	Malaysia	83,000	13,482
Nigeria	4,977,405	1,284,311	Uruguay	30,000	7,046
Egypt	1,666,878	382,412	Singapore	243,580	37,635
United Arab Emirates	532,328	187,631	Total	2,072,212	357,029
Saudi Arabia	243,191	112,980	COD, frozen		
Malaysia	973,160	191,565	United States	61,991	23,792
Fiji	386,701	67,569	South Africa	74,755	20,651
Sri Lanka	1,587,575	284,813	Korea, South	315,000	52,513
Jamaica	102,000	18,029	Total	489,731	105,106
Yemen	18,240	8,826	FLATFISH, fresh/fillet		
Netherlands	113,230	25,912	United States	1,187,956	489,655
Gabon	104,528	23,638	Australia	175,443	78,265
Total	14,728,669	3,459,019	France	36,535	17,283
SARDINE, canned			Sweden	71,436	33,699
Philippines	2,226,078	461,129	Canada	9,071	3,992
Singapore	660,211	132,757	Total	1,480,441	622,894
Malaysia	281,489	64,065	SQUID, fresh/frozen		
Netherlands	123,896	34,040	Italy	75,952	33,584
Puerto Rico	209,765	53,584	Canary Islands	84,560	36,893
United Kingdom	433,658	119,223	Canada	80	148
Belgium	86,286	22,886	United States	79,693	15,814
Dominica	70,027	13,061	Total	265,662	101,646
Papua New Guinea	48,603	13,009	SALMON, canned		
Total	5,640,519	1,251,360	Australia	22,176	22,492
SHRIMP, frozen/fresh			Total	24,337	25,895
Guyana	81,832	93,990	ALBACORE, canned		
United States	6,712	14,780	United States	657,336	240,568
Surinam	29,348	36,613	Canada	240,568	231,688
Canary Islands	2,430	3,622	France	31,965	31,320
Total	199,281	239,631	Kuwait	4,763	4,529
COD, frozen			Saudi Arabia	51,438	48,121
United States	218,990	100,304	Lebanon	16,216	15,319
Australia	48,076	19,233	Cyprus	51,213	49,565
Total	274,991	131,165	Switzerland	74,390	83,513
OCTOPUS, fresh/frozen			Hong Kong	953	1,002
United States	37,754	42,950	Total	1,192,412	1,092,564
Total	38,781	44,512			



UNITED FISHERMEN OF ALASKA

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

Rodger Painter
Executive Director

RESOLUTION #81-1

March 11, 1981

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

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

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

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

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

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

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

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

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

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

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

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

NUSHIGAK FISH PRODUCERS COOPERATIVE

This management system is designed to replace and to correct many of the inequities which have characterized the system which has marketed the Bristol Bay salmon in the past. It is the outgrowth of an investigation by a group of Bristol Bay fishermen carried on over the period of the last five years.

Historically, the major processing firms operating in Bristol Bay have carried the full burden of the financing of the product. To alleviate a major cost, inventory, the brokeraging of the product has added upwards of a 400% markup at this stage in the marketing stream. This markup accounts substantially for the fact that little Alaskan salmon is marketed in the continental United States. It has not been competitively priced with other meat products available. In their investigation, the fishermen determined that if salmon could enter the market at approximately 50% of the value that brokerage firms were doing so, a competitive market could be established. This could be accomplished by having the fisherman become involved as an owner or first title holder. It means the elimination of many layers of brokeraging. It means that the fisherman must share in the financial burden of his product until it has been sold into the market.

During the 1979 season, on a small scale, this idea was tested. The test was successful.

Following the 1979 season, the fisherman's group determined that there is a domestic market for 30-million pounds of fresh and fresh frozen salmon and 6 million pounds of canned salmon which can be developed.

The Nushigak Fish Producers Cooperative work on a cooperative effort in the 1980 salmon season and did not get any help from the State or Federal agencies. The cooperative effort was at a larger scale, so the 1981 salmon season looks like to start at a smaller

scale of approximately 5 million pounds, which was done in 1979 salmon season.

The Nushigak Fish Producers Cooperative will share in the cost of the product to the market at a cost much lower than the market price, yet able to break even to live for the winter.

The Nushigak Fish Producers Cooperative have contracted C.M. Consultants and INFACT (Inter-Oceanic Factors, Inc.) to manage the cooperative effort.

The Nushigak Fish Producers Cooperative will butcher a good portion of their catch at Dillingham and be flown to Anchorage to freeze and will also be barged to the West Coast to be frozen.

The freezing at Anchorage is very limited so a good portion will be frozen at Seattle or on the West Coast during the peak run. Also at the peak a good portion will be butchered at Anchorage. The portion of the product that cannot be frozen at Anchorage will be frozen in the West Coast.

The main reason for so many steps is because Alaska does not have any facilities to freeze at a peak run which Alaska has most every year.

The Nushigak Fish Producers Cooperative is strongly trying to use local help as much as possible to get local participation into the cooperative effort.

The tendering for Nushigak Fish Producers Cooperative will be with the help of Levelock Village Corporation and local tenders.

The facilities for butchering in Dillingham is with the help of the village corporation of Dillingham, which has a site and a building.

The real problem the Nushigak Fish Producers face is to buy equipment and materials for the operation. The Nushigak Fish Producers cannot compete with the high interest rates and the cost of the equipment and materials. Since the existing canneries have amortized the equipment and materials over the years and that cost is not a cost factor to the existing canneries.

The Nushigak Fish Producers Cooperative also have the problem of high interest rates for a pack loan.

If the State can in any way help to give the Nushigak Fish Producers Cooperative an equipment and material cost grant for the 1981 salmon saeson, it will help a lot of people throughout the State. Also, if the State would loan money at a low interest rate so the cooperative effort can be on an on-going effort and concern for the fishing industry.

By looking at the cooperative effort, the Nushigak Fish Producers Cooperative is willing and able to try a pilot program for the 1981 season. It would really help if our government (meaning the State of Alaska) would help in any way or form to make this pilot program operate through the 1981 salmon season.

The cooperative effort would put a lot of people to work and it will help the State in the long run.

INTER-OCEANIC FACTORS, INC.
INTERNATIONAL HEADQUARTERS • LONG BEACH, CALIFORNIA



110 WEST OCEAN BOULEVARD, LONG BEACH, CALIFORNIA 90802
TELEPHONE (313) 435-7497 TELEX: 656-353 CABLE: INFACF

March 14, 1981

Nushigak Fish Producers Cooperative
P. O. Box 154
Dillingham, Alaska 99576

Gentlemen:

We, Inter-Oceanic Factors, Inc. (INFACF), would like to reconfirm our desire to work with you on the proposed program to develop a more stable marketing system for Alaskan seafood production and bring the fisherman closer to the marketing activities in both the quality of product sold and resulting financial gains. The exchange of communications and our recent meeting in Dillingham have been most productive. At this time I would like to thank the members for their assistance and hospitality during our visit last week.

In review, it is apparent that due to major changes in the national economic system, i.e. high cost of money for the marketing sector to purchase and maintain inventories of seasonally produced products, restricts the ability to pass on to the producers (fisherman) an additional percentage of any market increase to offset the disproportionate increase in the producers operating cost, i.e. higher fuel costs and increased capital investment required to maintain an equal production level.

We believe your plan for an active fish producers cooperative to maintain control of their production through shore handling and processing, thus permitting a more direct route to the ultimate market, is a valid one. Such an operation would eliminate any restriction of fishing activities, of an already short season, due to delayed raw product price negotiations. If properly financed, it would also provide a more stable market of finished products eliminating the necessity of a higher margin for the current speculating buyer system. AND, create a more responsive and supportive market by providing a more stable price, thus permitting them the opportunity to project and implement proper sales promotional activities toward the ultimate buyer - the consumer.

March 14, 1981

Page 2

Since our original meetings last fall, we have researched through our associate offices in Europe, the Far East and domestically the possibilities of establishing buyers who would be desirous of participating in a more direct purchasing system and supportive of providing additional sales promotional activity. I stated at our meeting we have been very successful and have a committed buying clientele in all three marketing areas.

In addition to operating in a variety of markets, it is also important to provide a full spectrum of products, fresh, fresh frozen and canned. Provisions for this activity have been taken into consideration in the processing and handling program being developed in conjunction with C.M. CONSULTANTS.

INFACT and its staff have accumulated many years of experience in fishing, seafood processing and market development, both domestically and internationally. In its marketing activity, INFACT differs from the norm in that it performs as a "factor" (according to Webster, a representative of a principal) not a broker and acts as a liaison between producers, processors and buyers to assist in coordination of marketing requirements with production capabilities.

In order to establish a successful cooperative marketing concept, a pilot model should be implemented first. As stated, INFACT would be pleased to work with C.M. CONSULTANTS and the NUSHIGAK FISH PRODUCERS COOPERATIVE to attain this goal. A successful pilot model would permit the establishment of effective procedures and allow the fisherman to understand his increased participation and responsibilities. The successful marketing and other inherent benefits will provide the interest and possible participation by other Bristol Bay fishermen and associations.

We will continue working with C.M. CONSULTANTS in establishing the operating parameters required for the pilot model and look forward to future meetings with you.

Sincerely,

INTER-OCEANIC FACTORS, INC.



V. E. MATTSON,
President

VEM:mee

cc: C.M. Consultants

February 12, 1981

Mr. Gene Mattson
Inter-Oceanic Factors, Inc.
100 West Ocean Boulevard
Long Beach, California 90802

Dear Mr. Mattson:

In reply to Mr. Constantine G. Gratsos's letter dated January 16, 1981, I am in complete agreement.

As we have mentioned before, the joint venture method of an arrangement between the fishermen and market is the only way to create stability. This concept has been accepted by the Fishermens Cooperative in Dillingham, also by the cooperative located in Naknek.

At this point we must conduct a meeting as soon as possible either in Long Beach or preferably in Anchorage, to cover all the issues pertaining to this venture.

Enclosed you will find a schedule that we are working with along with a summary manual on our module processing plant.

Sincerely,



R. DAVID KINCAID

RDK:mee

Encl.

February 12, 1981

Mr. Gene Mattson
Inter-Oceanic Factors, Inc.
110 West Ocean Boulevard
Long Beach, California 90802

Dear Mr. Mattson:

I, Carl Heyano, am Secretary of the Nushagak Fish Producers Cooperative which is officed in Dillingham, Alaska. Our organization has received a copy of your letter to David Kincaid dated January 16, 1981. I am authorized by the Nushagak Fish Producers Cooperative to notify you that we have agreed to the concept and intent of the letter and this has been approved by the Board of Directors of Nushagak.

We are desirous of organizing a joint venture between Nushagak Fish Producers Cooperative and your organization on a profit sharing basis.

We have started putting our figures together for the prices and terms and will have these ready to work with when you arrive in Anchorage for the meetings.

We eagerly await your arrival here in Anchorage and if you need any further information or if we can be of further assistance to you, please let us know or call David Kincaid at C.M. Consultants.

Very truly yours,

NUSHAGAK FISH PRODUCERS
COOPERATIVE


Carl Heyano,
Secretary

cc: David Kincaid

P. O. Box 154
Dillingham, Alaska 99576

After more than twenty years of personal activity connected with international fisheries, V. E. "Gene" Mattson saw the need for a special type of organization. One which would bring together fishery and maritime experts. A source of experienced guidance in all phases of the fisheries industry. So in 1965, he organized Inter-Oceanic Factors, Inc. (INFACT).

Since then, INFACT has provided managerial, consulting and procurement services for the development of domestic, foreign and international fisheries projects. It has furnished sales direction, management expertise and procurement surveillance to principals wishing to sell or purchase products in overseas and third-country markets. And INFACT has developed an extensive import-export operation.

INFACT is a leading firm in the highly specialized field of fisheries consulting. Clients include individuals, corporations, governments and international agencies. The scope of INFACT's operations is world-wide. The professional fisheries experts on staff

have skills ranging from food technology to economics, from fisheries biology to company management. INFACT also coordinates design and specifications of various fishing vessels, ranging from shrimp trawlers to tuna purse-seiners, for clients around the world. These services include vessel and machinery procurement—and supervision of construction where necessary to assure compliance with specifications and on-time delivery.

INFACT's import-export activities include the purchase, sale and international transfer of raw and processed

fisheries products. The firm has become a major supplier of high-value items such as shrimps, lobsters and scallops—as well as tuna—to the U.S. West Coast market. Most of these commodities are imported from Far East and Latin American sources. INFACT is also developing distribution of seafood products into Canada and Europe. In addition, INFACT acts as liaison between producers and importers to assist in coordination of market requirements with production capabilities.

Besides seafood products, INFACT also deals in other food and non-food items. For example, the firm is a major supplier of food and dry goods to a supermarket chain in Tahiti, and furnishes Caterpillar engines and machine parts to the fishing industry in the same South Pacific area. Among INFACT's diversified assignments are those being conducted for the Fort of San Diego in the Far East.



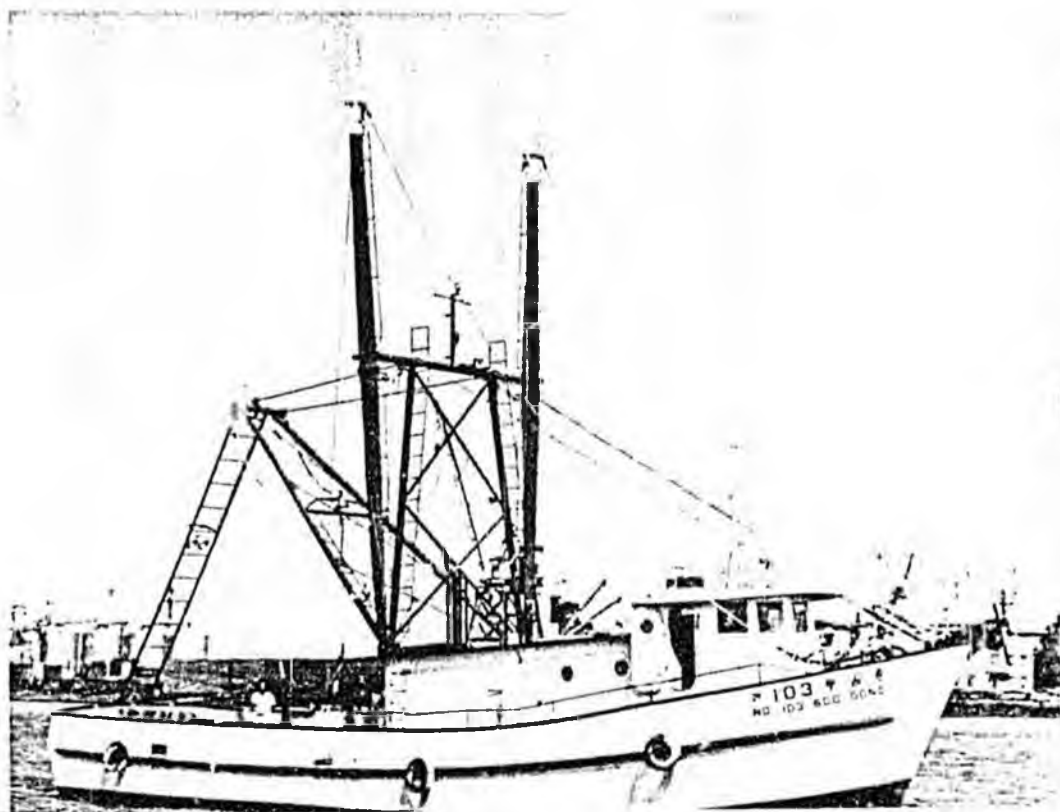
INTER-OCEANIC FACTORS, INC.



Inter-Oceanic Factors, Inc.
110 West Ocean Boulevard
Long Beach, California 90802
Telex 656-353; Cable INFACT
Phone (213) 435-7497



INFACT represents Racor Industries in the Pacific, Far East, and Mid East. Racor fuel and water filter/separators are made to handle engines from 10 hp to 10,000 hp.



THE INFACOT WORLD

Thailand, 1965-

Performed an investment survey of Thailand fisheries. Acted as consultants for developing commercial processing of frozen shrimp and lobster.

Representatives for Ackapon Export Co., Ltd. and United Cold Storage Co., Ltd. in the international marketing of their products.

Colombia, 1966-1967

Recommended fishery development programs for the government of Colombia under auspices of UNDP. Advised on investments to a consortium of major companies and government ministries in fishery projects.

South Korea, 1967-

Determined economic, commercial and technical requirements for the capture, production, processing and marketing of mackerel and tuna, a major fishery program for the government of the Republic of Korea.

Executed a program for training Korean fishermen in modern purse-seine techniques.

Assisted with overseas procurement, finance and construction of modern shrimp trawler fleets for Korean clients.

Somalia, 1967-1968

Performed an appraisal of facilities and activities of the Somalia-American Fishing Company for USAID. Presented commercial fishery evaluation of the east coast of Somalia and the Gulf of Aden.

India, 1969-1970

Acted as consultants and fishery advisers to the World Bank. Evaluated studies and loans for development and construction of major fishing harbors.

United States, 1969-1970

Developed raw material sources and packaging processes for new fishery products of General Foods Corporation.

Singapore, 1970-

Participant in construction and operation of an integrated tuna complex, including freezing and cold storage facilities, dock and vessel handling capabilities, a joint venture among U.S., Italian and Korean interests.

Venezuela, 1971-1972

Evaluated and gave recommendations for: exploitation of resources, cannery installations and fleet additions. Designed plants and supervised installation. Provided staff training program for Venezuelan mackerel and tuna packers.

Panama/Costa Rica 1971-

Consultants and managers for development and operation of tuna purse-seine fleet. Arrangement of international trading, including purchase and transshipment of tuna to world markets.

Italy, 1971-1975

Performed as consultants and advisers in the development of tuna production unit in Bari, Italy, and an international fishery program, including shore plants and fleet for an Italian government group.

Philippines, 1971-

Performed investment survey. Developing tuna production units for international markets, including fishing, freezer/mother ships and transshipment systems. International marketing of seafood and related products including vessels and equipment.

Korea/Japan, 1972

Conducted scientific appraisal of resources and requirements for proposed development of skipjack fishery, for Overseas Private Investment Corporation.

Mexico, 1973-1975

Performed as technical and management consultants for the establishment of a joint venture (Italy-Mexico) tuna project at Mazatlan, which included modern superseiners, land-based cold storage and tuna processing facilities.

Ecuador, 1973-1976

Acted as technical consultants for the development and installation of a regional fishery school at Manta in cooperation with the National Fisheries Institute and prepared a vocational training program for purse-seine captains, master fishermen and engineers, a project financed by the World Bank and the Ecuadorian government.

Guyana, 1973-1974

Performed a detailed study of fish processing and marketing in Guyana and CARIFTA countries, sponsored by the United Nations Development Program and the World Bank in cooperation with the government of Guyana.

Surinam, 1974-

Assisting the Korea Marine Industry Development Corporation in the purchase of 50 modern shrimp trawlers, built by Bender Ship Building of Mobile, Alabama; these vessels to fish the northeast coast of South America. Activities included: assistance in obtaining Export-Import Bank financing; vessel design; machinery selection and procurement; coordination of construction; liaison for outfitting, crewing and delivery.

A similar service for the construction and purchase of 10 shrimp trawlers also was provided to Jedong Industrial Company of Korea.

Indonesia, 1975-

Performed preinvestment study for fishery development project for a major U.S. oil firm.

Performed investigation and made recommendations for the development of a long-term aquaculture and pond fishery program.

Assisting in supervisory missions to Indonesia to inspect and recommend on World Bank financed integrated skipjack and tuna projects at Ambon and Aer Tembaga.

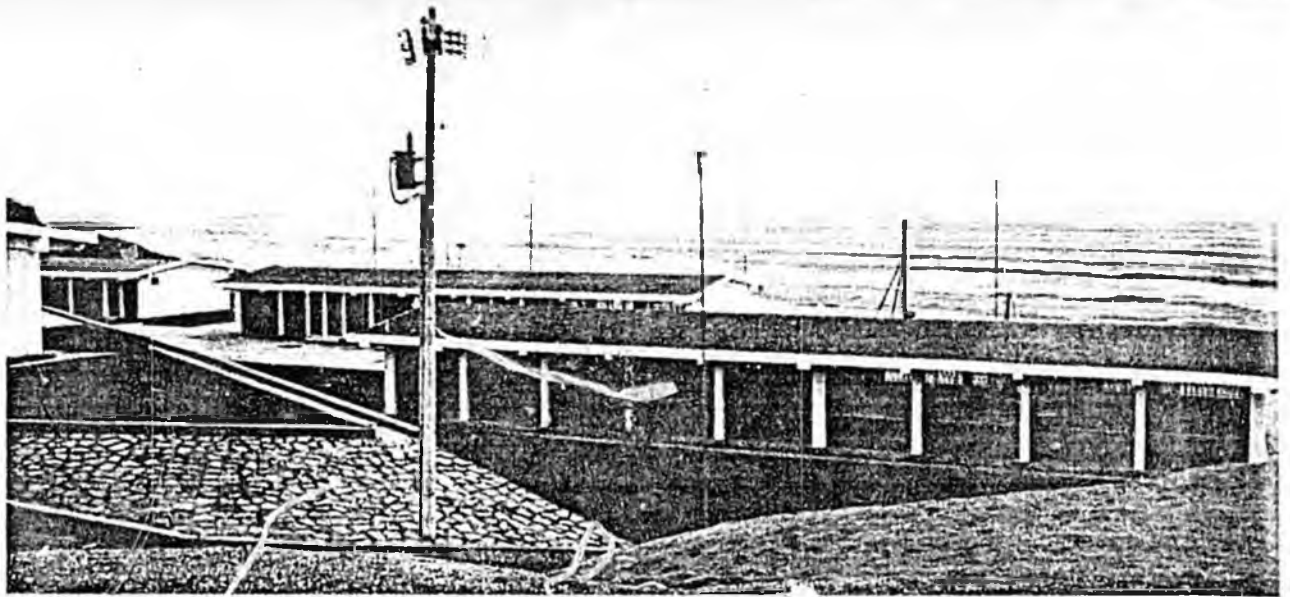
Malaysia, 1975

Participated in a development program for the fisheries sector of the east coast of Peninsular Malaysia under the auspices of the Asian Development Bank to formulate longer-term development plans for vessel construction, fish harbor complexes, marketing, technical-economic assistance and training to fishermen.

• **Commerce, 1965-**

International trade and commerce in fish, frozen seafoods and other food products. Equipment and machinery for the fishing industry. Assistance in selection, procurement, financing and construction of modern fishing vessels. Import and export of products to and from the United States, Europe, South East Asia, the South Pacific, Far East and Latin America.

Commission agents and brokers as well as direct buyers and sellers. International representatives for Racor Industries of Modesto, California.



Vocational Training

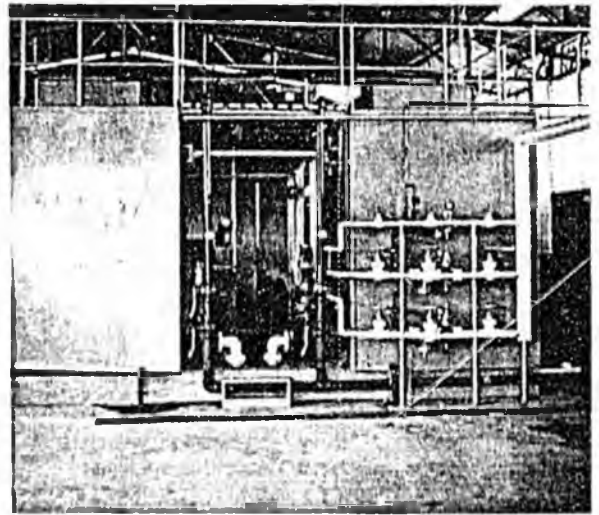
Training of personnel for the fishing industry is one of the Company's major capabilities. In addition to basic training, the upgrading of fishermen, plant workers or administrative personnel to a high level of competency is provided through on-the-job programs. For developing companies, on-the-job training may be accomplished under Management Contracts, with the ultimate goal in mind that upon the phasing out of INFACT participation, the project would be self-sufficient and operating under qualified local control and administration. Training programs vary from fish catching, vessel operation, vessel maintenance, processing, quality control, to administration and management.

The Fisheries Training School at Manta, Ecuador, is an example of vocational facilities designed, built and staffed under INFACT supervision. Here, faculty and students may learn the art of modern purse-seine fishing, engineering, electronics and refrigeration



technology, as well as a host of other specialized subjects from customized texts prepared by INFACT in addition to visual aids and full-scale working equipment.

The technical section of this Training Center comprises four principal departments: Fishery Technology; Marine Sciences; Engineering; and Nautical Science. Each assigned certain curricula and subject areas. Subject matter for the above is organized in accordance with the traditional separation of responsibilities aboard fishing vessels.



STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

SUBPORT BUILDING
JUNEAU, ALASKA 99801

February 9, 1981

Mr. Kevin Bruce, Assistant to the
Honorable Patrick M. Rodey
Alaska State Senate
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Mr. Bruce:

In response to your recent request for Bristol Bay salmon fishery information I have enclosed two Department reports.

In the first report, entitled "Preliminary Review of the 1980 Bristol Bay Salmon Fishery," you will find a narrative and tabular material documenting the 1980 salmon harvest and the area's salmon production and processing capacity analysis. The report does not provide estimates of projected processing capacities for the 1981 season as many factors will influence industry planning and their actual inseason effort. Generally, we do think that the 1981 processing effort and capacity will be adequate to handle the forecasted 21.2 million salmon harvest. This is provided that all onshore canning and freezing facilities are utilized to the extent they were during the 1979 and 1980 seasons.

The second report, the 1981 Bristol Bay sockeye salmon forecast, describes the run projection developed for each of the major sockeye salmon producing river systems in Bristol Bay along with estimates of harvestable surpluses by fishing district.

Your question on eventual 1981 salmon prices is difficult to answer. We hope for an early settlement this year as the projected run of 26.7 million sockeye salmon will not allow the industry and fishermen the extended harvest opportunity that last year's 62.4 million salmon run provided.

Fishermen are generally aware of this fact and will be seeking a resolution before June 20, 1981 when strong sockeye catches historically begin. Further, many fishermen suffered significant financial setbacks as a result of last year's extended strike and they probably will be very reluctant to incur similar hardships this season.

Mr. Kevin Bruce

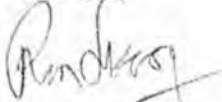
-2-

February 9, 1981

On the other side of the issue, the industry's price offer will depend heavily on market conditions and current holdings or inventories in addition to other factors. Our Department cannot adequately comment on these matters with the information now at hand. However, the Governor has established a planning task force to review the situation in the upcoming months and report back their findings. We are participating in that effort.

Please let me know if the Department can be of further assistance to you in this matter.

Sincerely,



Ronald O. Skoog
Commissioner
(907) 465-4100

Enclosures



Official Business

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

March 12, 1981

Mr. Brad Matsen
Alaska Fisherman's Journal
1115 NW 46th Street
Seattle, Washington 98107

Dear Mr. Matsen:

Please find enclosed an initial hearing report from the Bristol Bay area.

The Committee will be holding final hearings on March 16 at 1:30 p.m. in the Butrovich Room..

Sincerely,

Kevin K. Bruce
Committee Aide

KKB/ods
Enclosure



Alaska State Legislature

House of Representatives

February 11, 1981

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

MEMORANDUM

TO: Rep. Fred Brown, Chairman
House Judiciary

House Judiciary Committee Members

FROM: Rep. Joseph Chuckwuk *JC*

SUBJECT: Revocation of Commercial Fishing Permits

I was recently informed that the Governor is entertaining the thought of amending the commercial fisheries limited entry law to provide for the revocation or suspension of permits held by fishermen convicted of certain crimes committed during fishing strikes.

As you know, the Governor is highly concerned about the potential problems that may arise in Bristol Bay this summer. Last year's strike prompted the Governor to appoint Avrum Gross to head the administration's special Bristol Bay Task Force in examining options open to the State to intervene in price disputes between fishermen and processors and methods which may be used to prevent "civil disobedience."

One suggestion from the Governor's office is to revoke or suspend commercial fishing permits held by fishermen convicted of committing certain crimes during a strike. There are already laws that handle various kinds of offenses. An amendment like this would create problems rather than prevent them.

Although I have not seen any proposed amendment, I was informed that it is being considered. If and when the amendment is proposed by the Governor's office, I would like to completely review the matter with the members of the House Judiciary Committee.

cc: Senator Pat Rodey



Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

February 13, 1981

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

Dear Commissioner Nix:

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

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

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

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

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

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

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

Sincerely,



Representative Joseph Chuckwuk

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

JC/ah