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A man's voice says that it might be possible within the Alaska constitution to establish laws for the 3-mile zone, but it would be difficult to devise such legislation. [Unclear talking.] Problem arise from treating everybody equally. If one grants one person the right to harvest fish then one is discriminating against the others. Everyone should have an equal opportunity to bid to harvest fish in certain areas and then they would avoid discrimination that constitution restricts. Maybe even some thoughts [unclear talking.] Wallie thanks Jim and says that their friend from Canada waves in the back.

[Unclear talking.] The man says that that's one of the conclusions of the analysis. It's true that there are a number of so-called latent fishery resources that are relatively unexploited and the reason why they get the paradox is that there is no ownership. In other words, fishermen can fish the stocks until the resources are dissipated. Therefore the stocks tend to be intensely exploited while other stocks are ignored. Opportunity costs are oftentimes low and that leads to even greater concentration on those stocks. Generally, people tend to exploit the stocks that one values highly.

6:57 [Unclear talking.] A man says that all good economists have marbles running out of their ears. They put one in for a specific purpose that it was inapplicable to the salmon industry. That is the model that's run by complete stated turns. Salmon industry is in short run disequilibrium and the central tendencies might exist but are so small that short-time variations of the model have a degree of usefulness that the speaker doesn't want to describe in a mixed company.

The other point is perhaps more serious in respect of the usefulness of models of that sort. They tend to forget that the model operates in a rather simple fashion.

Very few fisheries are single species fisheries, but fish variety of stocks that have varying degrees of interdependence [considering their ecological niches]. The speaker doesn't want to foul the idea of describing difficult and complex economic operations of the sort by means of analytic models. That's the way they really learn about variables that they have to keep in mind, but it's one thing to use it as an expository device, and quite another to use it for a basis of an applied management program.

10:39 Wallie says that they better have only one more question. [Unclear talking.] A man says that they have to bear in mind that Professor [Salvatore] Comitini is dealing with a dynamic situation and not with a single species in a given moment of time. His contours may change through cycles, years or decades. This was very important to his model.

Wallie says that these questions can be addressed later.

John Borbridge says that Alaska is the 3<sup>rd</sup> largest fishing industry in the nation and asks if the folks know who the other two are and how Alaskan fishing regulations compare to them. A speaker says that the two other ones are California and [unclear]. A person comments that the State of Alaska has no monopoly for regulations that are faulty and objective. There are lots of states with regulations on fishing industry that make fishing more difficult than it is in Alaska. Moreover, it's not confined to salmon. There are regulations, for example, in the State of California, that prohibit the reduction of certain species to meal and oil because somehow one can't convert fish into food by running it through a chicken but one has to do it directly even though reducing it to meal and oil was more profitable than putting it into a tin.

13:40 The collection of state regulations on the efficiency of fishing operations, under the guise of congregation in all the states that have commercial fisheries adds up so the mixture is confusing. Overlapping and generally restrictive legislations ensure that American fishing industry has virtually no chance to compete on equal terms over the foreign fleets that are harvesting on their continental shelves.

A person [Hiroshi Kasahara, as indicated later] wants to comment on Mr. Peterson's question and says that it's a good question and that he's been waiting

for that type of a question. There's the tuna industry that operates basically [unclear]. They are both open-entry fisheries and one thing that hasn't been discussed much is the dynamics of expansion of fishing. If one brings in that factor that will [unclear] as long as the industry has room for expansion. In case of [unclear]. In the Californian tuna industry, [unclear] due to expansion of fishing grounds to South America. [Unclear talking.] Sooner or later any fishery will reach the same point of diminishing profitability and [unclear], but if one forgets the dynamic change, one is missing an important point because many of the fishing industries in the world that [unclear]. If everybody expands their fishing capabilities, sooner or later they run into international competition over the same stock, and very often using the same fishing methods. Then they run into difficult negotiations. They are still far from dividing fishing grounds, and they have to consider fisheries in an international context. Also, when they have got to the point of legalizing limited entry, and applying the concept in fisheries, their problems haven't been solved but there are new problems in a different context. Many countries have adopted the concept and have had as many problems but in different context.

19:35 The only difference between United States and the other countries is that the US hasn't got this [unclear] in domestic legal framework. It's applicable to other fishing.

Another man's voice says that Dr. Kasahara has said most of the things he would have liked to say and quite a few he couldn't have said, but he'd like to add one little footnote and that is with regards to one of the fisheries that brings in more dollars than Alaska's fishery. That's the Southern California tuna industry. It's a fishery that has indications on being very close to trouble due to the same old story that there are more fishers than there are tuna.

A man says that it's estimated that the fishing capacity of the tuna fleet in Southeastern Pacific is going up by 10% per year, but the yellow fin tuna, which is the principal species, is already quoted in international levels. It's fully exploited. They have two new countries and 10% additional capacity from American companies already aimed at a fishery that is fully exploited. That makes no sense whatsoever.

21:29 A man's voice says he wants to make two comments. Considering tuna fishing, there is fishing in the Northeastern Pacific but there's also tuna in Africa. There is still life left in the tuna industry. It's not that close to collapse as the speaker implied. Another comment is that a short time back, there was a condemnation of [unclear] methods. The speaker would like to point out that [unclear]. Without conservation, there would be no fish left, or any fishermen. They should keep the conservation methods and get rid of the concept of common property on fisheries.

A man's voice says that no one can test it and that the protection of the stocks is necessary but not sufficient condition for a healthy industry. Without that, they wouldn't even have the option that they have. He'd also like to correct one thing from the "tuna thing." The mere fact that the yellowfin tuna catch cannot be expanded physically is not a reason why it wouldn't be financially attractive for new vessels to get there as long as the price of tuna is going up. Lacking exactly the [unclear, a man is coughing.]

23:36 The fact that boats are built to fish in different areas, as well as in Southeast Pacific, is saying that one is prepared to generalize a local situation until it becomes a mess of truly oceanic proportions.

Another person says it's a bad biological condition, but not a bad financial condition. The first speaker says that [unclear]. [Unclear talking. Unclear questions.]

The speaker says that he wants to point out specific proposals, with respect to limited entry salmon fishing, that haven't been put forward. There's the one that Bill spoke of [unclear] and the British Columbia –program. They both contemplate starting out by blanket licensing of all eligible fishermen – fishermen who have actually fished during previous seasons. They could blanket license everyone who is in the fishery. Then there are several avenues through which one could peel down the size of the fleet without pushing anybody out. One might speed up the process by pushing people out and compensating for that.

In Puget Sound they were simply offering to repurchase and retire licenses and gear at 80% of cooperatively insured value. There's also a possibility for getting a lot of people out who simply don't want to be in, but are just hanging on due to

inability to get their investment out. The equipment ages, and in over 5-10 year period, they could really cut down by 30-50%. Lots of the people will leave the fishery and if one simply amputates the new people that are coming in, one could achieve a considerable reduction without putting pressure on individuals who are already there. One might offer them the voluntary opportunity to get out and finance that. The speaker recaps that of course imposing difficulties on native fishermen who have immobility problems is out of the question. It wouldn't be equitable or legal.

27:33 Another man says he wants to agree and add a note that the situation deserves a specific study that is aimed at this particular problem. It's difficult to generalize. Hence, they should look at small stocks and groups of people who may be concerned and solve the problems that they raise.

A man says that there's another final comment from Bob [Unclear]. Bob says that it seems that when they are blanket registering the fishermen, they are also preventing people from entering into the fishery, and he asks if it's constitutionally sound and non-discriminatory.

The other man [previously referred to as the speaker] says that there has been tests done from the standpoint of federal constitution and some other state constitutions. Anyone has the same opportunity to access the industry as they would have with farming. It's not recommended for one to start chopping somebody's apples unless one has purchased the orchard. In effect, anyone who wants to purchase the right to do so, should be able to get into the fishery. The difficult step is to get that property right established. He thinks that those licenses have to be made transferable at least in a very short period of time, apart from the legal aspects, to ensure that one gets licensees who gravitate toward more efficient and professional fishermen and greater efficiency. In many fishing families, it is important to have the licenses be inheritable. [Unclear talking about transferring old fisherman's licenses and gear to a new fisherman who wants to get in.]

30:06 The speaker says that one would normally, in the course of the gear reduction program, [unclear] with stiffer and stiffer tax-licensing. In effect, one is substituting a state tax receipt that is now wasted in [unclear]. This would be necessary. [Unclear question.] License fees for Japanese tuna fishers are going on a

rate of \$1 million. [Unclear talking, a conundrum of voices, all conversing simultaneously.]

[End of the recording.]