

# NATIVE PARTICIPATION IN ALASKA'S COMMERCIAL FISHERIES

by

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### Scope and Limits

This paper briefly discusses Native participation in Alaska's commercial fisheries. It identifies institutions and policies that tend to reinforce Native participation, and it describes a specific case of successful Native entry into a new herring fishery at Cape Romanzof. The paper looks particularly at the western salmon and herring fisheries, where most Native commercial fishermen are.

### Fishery Regions

Alaska's "Westward" fisheries comprise a thousand-mile swath from Bristol Bay west along the Aleutians and north to Kotzebue Sound (see Figure 1). There are many differences among these fisheries: in species of fish, types of vessels and gear, development of processing and infrastructure facilities, and sophistication of fishermen.<sup>1</sup>

The richest fisheries, mainly salmon and herring, are in the Bristol Bay area. There is also a large salmon harvest in the north Alaska Peninsula-Aleutian Islands fishery, together with crab, halibut, and groundfish. Northwest of Bristol Bay, the quality and quantity of salmon and herring harvests decline rapidly. The world's largest runs of highly valued sockeye salmon in Bristol Bay give way

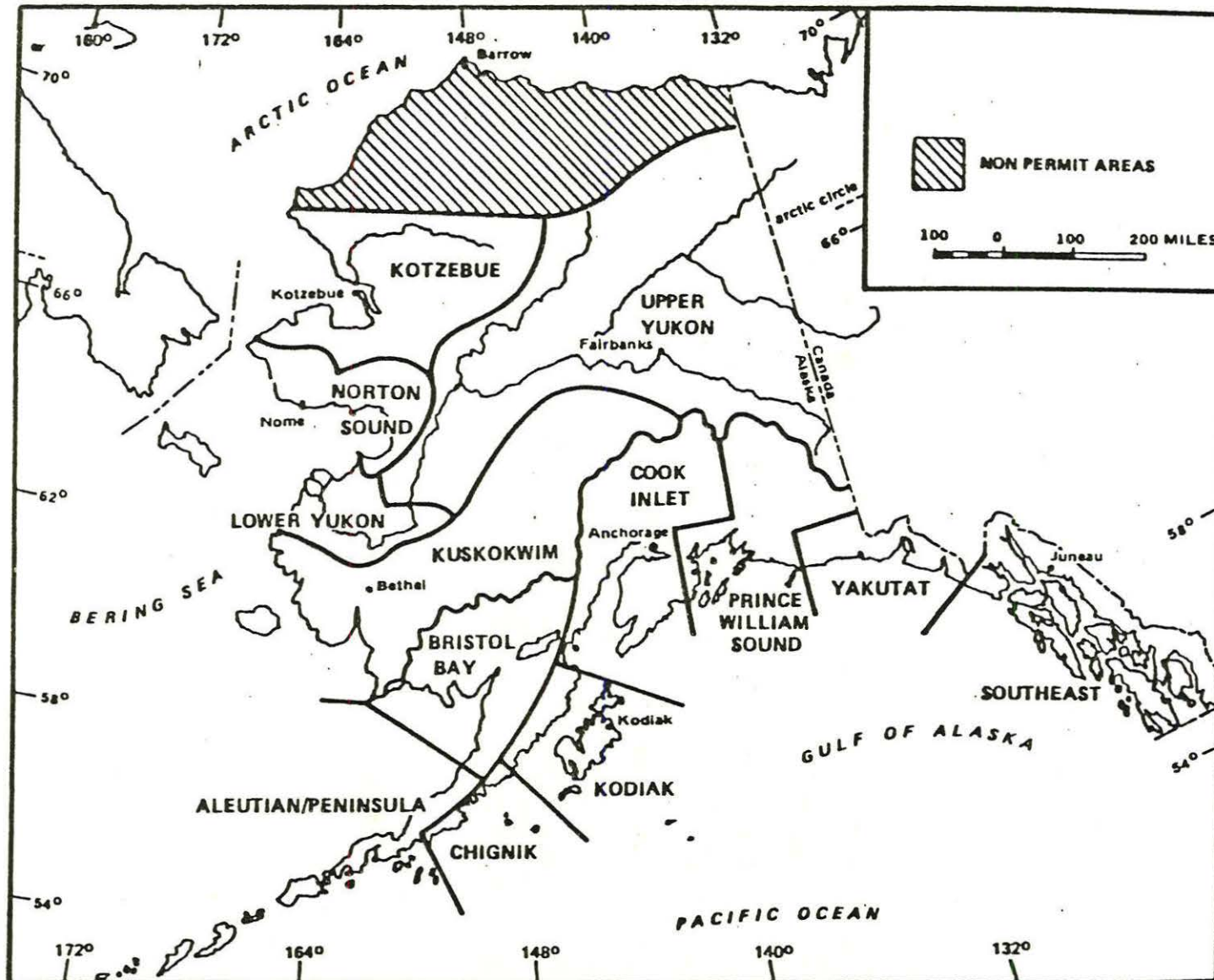


Figure 1. Alaska Fishery Management Areas

to more limited runs of high-value king and low-value pink and chum as one moves north. A similar pattern describes the herring fisheries. Thus, the opportunity to build local economies on the commercial fisheries likewise declines with movement toward the north.

The sequence of development of these fisheries generally corresponds with their relative accessibility and productivity. Bristol Bay salmon have been harvested commercially since the 1880s---with sailboats until the 1950s and, in the period since, primarily with 32-foot power boats using drift nets. The first commercial catches of salmon in the Kuskokwim and Lower Yukon districts were reported in 1913 and 1918, respectively, but the Lower Yukon's continuous fishery dates only to the 1930s. Further north, commercial salmon fishing began in Norton Sound only as late as 1961 and in Kotzebue Sound (except for a brief period during World War I) in 1962. The fishing vessels in these northerly areas are usually skiffs using drift gill nets. Set nets are also used in the Bristol Bay and other western fisheries.

The commercial herring fisheries were recently developed in all of these areas, beginning in the late 1960s in Bristol Bay and most recently at Cape Romanzof in 1980. The richest herring fishery is at Togiak in Bristol Bay, where purse seiners take most of the catch. In less productive northerly areas, fishermen use skiffs and gill nets.

### Native Participation

Distinctive Native groups occupy these fisheries regions: Aleuts and Peninsular Eskimo on the Alaska Peninsula, Peninsular Eskimo and Athabascans in eastern Bristol Bay, Yupik Eskimo in western Bristol Bay and the Kuskokwim-Yukon areas, and Inupiat Eskimo around Norton Sound and Kotzebue Sound. The first of these groups to fish commercially were the Aleuts in the salmon fisheries, beginning in the 1920s. In Bristol Bay, Natives did not enter the commercial fisheries until the 1940s, when war-time labor shortages broke the unions' hold on harvesting jobs, and in the 1950s, when western areas of the bay were commercially developed. Further north, Native groups opened the commercial fisheries only in the 1960s and 1970s.

Many observers have commented that commercial fishing as an occupation has great attraction among Natives: It is similar to subsistence fishing and often involves the same equipment and skills; Native vessel owners who can make a good living by fishing see themselves as independent and self-reliant and gain status in their own cultures and in the larger society; and being a commercial fisherman allows time for subsistence hunting and fishing during other seasons.

Commercial fishing fits in with Natives' traditional ways and enables them to earn cash incomes at the same time--a unique and powerful combination of incentives. It is for this reason that commercial fishing is one of the most (if not the most) effective means toward Native self-reliance in Alaska's coastal villages.

### Institutions and Policies

Several types of Alaska institutions and policies have had generally positive effects on Native participation in the commercial fisheries; the most significant of these has been the state's limited entry program for the salmon and herring fisheries.<sup>2</sup>

1. Limited entry. In 1973 the Alaska Legislature voted to restrict the number of gear operators in the state's salmon fisheries; later, most of Alaska's herring fisheries were also put under limited entry. Limited entry permits were awarded to fishermen under a point system that emphasized economic dependence on and past participation in the fisheries. Through 1983, the state had issued about 12,500 gear operator permits for the salmon and herring fisheries; of these, 10,980 are freely transferable: they can be sold, traded, or given away.

Alaska Natives initially received about 4,900, or 45 percent, of the transferable limited entry permits (see Table 1). Other Alaskans received about 33 percent of the permits, and the remaining 22 percent went to nonresidents with histories of fishing in the state's waters.

TABLE 1. LIMITED ENTRY PERMITS<sup>a</sup> HELD BY  
ALASKA NATIVES AND OTHERS,  
INITIAL ISSUANCE<sup>b</sup> AND 1983

	Initial Issuance		1983		Change, Initial Issuance - 1983	
	Numbers	Percentage	Numbers	Percentage	Numbers	Percentage
Alaska Natives	4,928	45	4,226	39	-702	-14
Other Alaskans	3,633	33	4,374	40	+741	+20
Nonresi- dents <sup>c</sup>	2,419	22	2,353	21	-66	-3

<sup>a</sup>Includes only transferable permits; there are also about 1,535 nontransferable permits. Total numbers of permits initially issued vary from 1983 figures in some instances because (1) some permits have been revoked by the Commercial Fisheries Entry Commission; (2) some permits are now held by the Alaska Department of Commerce as a result of loan foreclosures; (3) some additional permits were issued as a result of court decisions.

<sup>b</sup>The first limited entry permits were issued in 1975, with more issued over the years as additional fisheries came under limited entry.

<sup>c</sup>These figures include permits held by Natives living outside Alaska; 133 permits were initially issued to nonresident Natives. By 1983, nonresident Natives held 94 permits.

SOURCE: Commercial Fisheries Entry Commission

The limited entry program guaranteed Natives and others a place in the fisheries and protected them from what would undoubtedly have been more intense competition in the mid and late 1970s, when improved runs and increased prices made the salmon fisheries very profitable. Many Natives and other fishermen have made good incomes



over the past decade, although incomes of Native fishermen--who tend to have smaller boats and less efficient gear--have generally lagged behind those of other fishermen. Table 2 shows, for example, average gross earnings of local fishermen (most of whom are Native) and other fishermen for the Bristol Bay drift net fisheries from 1975 through 1982.<sup>3</sup> Commercial fishing accounts for an estimated half to three-quarters or more of the total cash income in Bristol Bay villages.

The limited entry program has, however, also had some negative effects on Native fishermen, the most important of which have to do with the current high price of permits: permits have become so expensive that most young Natives cannot afford them, and at the same time, some Native fishermen have sold their valuable permits to non-Natives. Also, for some Natives, the paperwork involved in obtaining and keeping their permits has been complicated and burdensome. Despite special state efforts to assist Natives in applying for permits and a special loan program to finance their purchases, there are persisting cultural barriers to efficient communication between state officials and Native villagers.<sup>4</sup>

Table 1 shows the distribution of permit ownership by the end of 1983. Alaska Natives held 39 percent of all transferable permits in 1983, as compared with the 45 percent they initially received. Other Alaskans had increased their share of permits from 33 to 40 percent, while the proportion of permits held by nonresidents dropped slightly.

TABLE 2. AVERAGE GROSS EARNINGS OF LOCAL AND OTHER BRISTOL BAY DRIFT GILLNET FISHERMEN, 1975-1982

Year	Local Fishermen	Other Fishermen	Local as Percentage
1975	\$ 6,386	\$ 9,980	64.0%
1976	15,635	13,793	113.4
1977	17,103	18,489	92.5
1978	33,478	26,785	125.0
1979	47,951	78,642	61.0
1980	31,718	41,059	77.3
1981	51,505	78,498	65.6
1982	32,124	42,956	74.8

SOURCE: Langdon, "Commercial Fisheries in Western Alaska," Table 6.

Of the roughly 700 permits that Alaska Natives sold (or otherwise transferred) to non-Natives through 1983, nearly 40 percent were for the Bristol Bay fisheries alone. Table 3 shows that 21 percent of the Bristol Bay permits originally held by Natives belonged to non-Natives in 1983. Native permit sales in the Alaska Peninsula/Aleutian Islands fisheries were also relatively high, with Native fishermen selling 68, or 19 percent, of the permits they originally received to non-Natives. In other, lower-value fisheries to the north, there were fewer permit sales. Still, non-Natives had gained permits in all the western fisheries by 1983, ranging from 4 percent in the Kuskokwim River fishery to 21 percent in the Bristol Bay fisheries.

TABLE 3. NATIVE OWNERSHIP OF LIMITED ENTRY PERMITS FOR  
WESTERN ALASKA FISHERIES  
INITIAL ISSUE AND 1983

	Initial Issue	% of Total Permits	1983	% of Total Permits	% Change
Ak. Peninsula/ Aleutians	364	77%	296	62%	-19%
Bristol Bay	1,244	49	980	38	-21
Kuskokwim	804	97	772	93	-4
Lower Yukon	680	96	632	90	-7
Norton Sound	185	92	168	84	-9
Kotzebue	199	91	182	83	-9
All Western Fisheries	3,476	70	3,030	61	-13

SOURCE: Commercial Fisheries Entry Commission

Table 4 shows how demand for permits in some of the state's fisheries affected prices in recent years. Permit prices in all of the state's fisheries increased in the past five years, but in the most valuable fisheries, those prices multiplied. Purse seine permits for the Alaska Peninsula/Aleutian salmon fishery went for an average \$195,000 in 1983, as compared with less than \$40,000 in 1978. Permits to operate drift nets in Bristol Bay cost an average \$21,000 in 1978 and an average of nearly \$100,000 in 1983.

TABLE 4. AVERAGE LIMITED ENTRY PERMIT PRICES,  
SELECTED FISHERIES, 1978 AND 1983

Fishery	1978	1983
Southeast Hand Troll	NA*	\$4,948
Kotzebue Gill Net	\$5,814	13,083
Cook Inlet Set Net	9,823	18,340
Southeast Purse Seine	30,929	38,534
Cook Inlet Drift Net	36,825	69,919
Bristol Bay Drift Net	21,638	98,923
PWS Purse Seine	24,272	143,186
Alaska Peninsula/ Aleutian Drift Net	15,000	157,000
Alaska Peninsula/ Aleutian Purse Seine	39,627	195,000

\*Not available; the hand troll fishery was not under limited entry in 1978.

SOURCE: Commercial Fisheries Entry Commission

The high cost of getting into the fisheries and the erosion in the number of Native-owned permits are particularly threatening to Native communities where jobs other than commercial fishing are scarce.

2. State and federal regulations. Native entry into the various Bering Sea fisheries has been enhanced by the federal

Fishery Conservation and Management Act of 1976, which established the 200-mile limit of U.S. jurisdiction and set the stage for subsequent reductions of foreign fishing within the fishery conservation zone. Reductions of the foreign catch have apparently been an important factor in the recent surge of the western Alaska herring fishery.

State fisheries regulations have in some cases served directly to protect local fishing interests in western and other parts of Alaska.<sup>5</sup> One of the most effective methods has been exclusive area registration, under which a vessel can fish in the exclusive area only if it foregoes fishing in all other areas. Thus, Native fishermen in the Cape Romanzof and Norton Sound herring fisheries are protected from outsiders who give highest priority to the much richer herring fisheries near Togiak in Bristol Bay. Two other important state regulations that protect Native village fishermen with smaller and less powerful boats and gear are the 32-foot limit on power boats in the Bristol Bay salmon fishery and the prohibition of seiners in the herring fisheries north of Cape Newenham, the western boundary of Bristol Bay. These protective regulations in the herring fisheries were adopted by the Alaska Board of Fisheries in response to strong pressures, primarily from Native fishermen's organizations.

The International Pacific Halibut Commission has also adopted regulations to protect Aleut halibut fishermen on the Pribilof

Islands from outside longliners. In 1984, a ten-week Pribilof halibut season was open only on alternate days, with a requirement that non-Pribilof fishermen travel more than 250 miles to Dutch Harbor (Unalaska) to check in their catches after each day's opening. This requirement effectively blocked nonlocals from the fishery because they could not take enough halibut in one day to make it worth the long trip back to Dutch Harbor. Another benefit for the Pribilof fishermen was that their stretched-out season enabled them to sell a constant supply of fresh halibut at higher prices at times when halibut fishing was closed in other areas.

3. Native corporations. The Alaska Native Claims Settlement Act (ANCSA) did not itself include any provisions directly affecting Native rights or participation in the commercial fisheries. The act was essentially a payment in land and money for lands claimed and rights extinguished. ANCSA also established 12 regional corporations and 200 village corporations to use the land and money awards. Several of these corporations, at both regional and village levels, have initiated programs in the commercial fisheries.

The Calista Corporation in southwest Alaska in 1983 entered into a joint venture with the Emmonak village corporation to form Calista-Emmonak Fisheries, a corporation that buys and processes salmon from fishermen in the Lower Yukon area. In addition, Calista's International Corporation, an import-export subsidiary, sold the salmon to a Japanese trading company, Kawasho, under a

salmon marketing agreement. Lower Yukon Native fishermen have thus received competitive prices and an assured market for their fish. Similarly, Tanaq, the St. Paul village corporation in the Pribilof Islands, entered into a joint venture with a Taiwanese fishing company for processing and marketing pollock and other groundfish. Other regional and village corporations have undertaken similar activities in the commercial fisheries.

Apart from the ANCSA corporations, a number of Native regional nonprofit corporations have provided technical assistance to Native fishing ventures. Prominent among these regional organizations are the Bristol Bay Native Association, Nunam Kitlusi in the Yukon-Kuskokwim area, and Kawerak in the Norton Sound area.

4. Other institutions and policies. A number of other organizations and programs assist Native entry and performance in the commercial fisheries: at the state level, these include the Alaska Renewable Resources Corporation (now the Alaska Resources Corporation), the Commercial Fisheries and Agriculture Bank, and the Department of Commerce's Fishermen's Mortgage and Note Program. These agencies have varying capacities to assist Native fishermen. The Community Enterprise Development Corporation (a private, nonprofit organization), directly and through its subsidiary, Arctic Sea, Inc., provides financial, marketing, and technical assistance to a wide variety of Native fishermen's groups and individuals. Native fishermen themselves have organized a number of production

and marketing organizations, including cooperatives, fishermen's associations, and joint ventures. Some of these groups have been very active in promoting state assistance programs, obtaining favorable regulatory changes, and monitoring the effects of limited entry on Native fishermen.

#### The Cape Romanzof Herring Roe Fishery

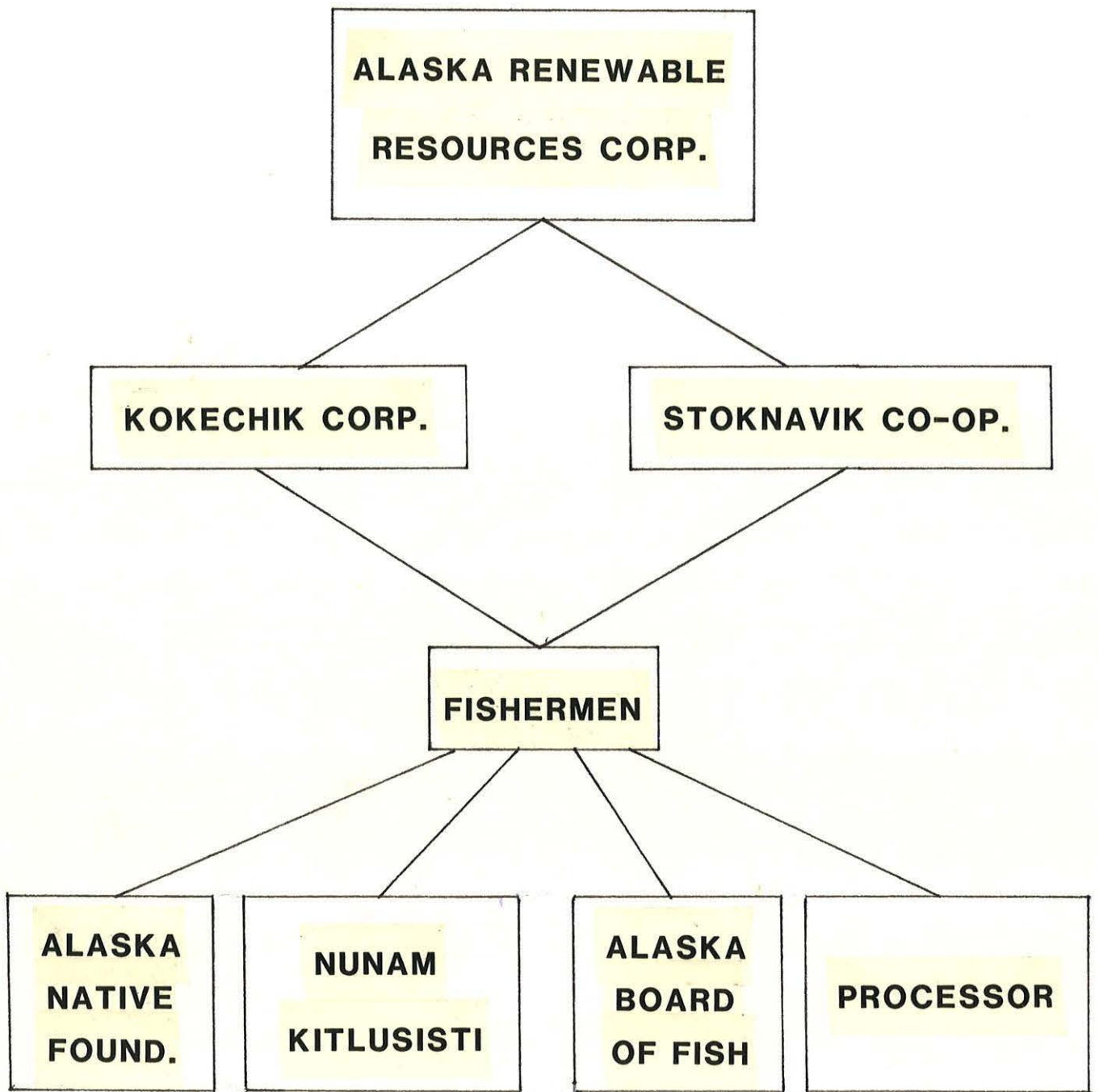
The fishermen of Cape Romanzof, north of Bristol Bay, have demonstrated how several of the factors discussed above can be brought together to support and reinforce a successful Native commercial fishing enterprise.<sup>6</sup>

In 1979, the villagers of Chevak, Scammon Bay, and Hooper Bay near Cape Romanzof had virtually no experience in commercial fishing. These are subsistence-based Yupik Eskimo villages of 200 to 650 in population, with average household incomes ranging from \$4,000 to \$6,000 in 1980. The Cape Romanzof villagers lacked the skills, equipment, and funds necessary to participate in the new herring fishery to be opened there the following year. In less than a year, they learned enough about hanging nets, building boats, purchasing motors and other gear, and dealing with financial institutions and buyer-processors to enable them to enter the fishery. Between 1980 and 1984, their take rose from 550 to over 1,000 metric tons; the resident harvest increased from 40 percent to nearly 100 percent of the total harvest; resident gross income rose from \$48,000 to \$355,000; and the number of local fishermen more than tripled, increasing from about 30 to over 100.



The success of Native fishermen at Cape Romanzof can be attributed to the mutually reinforcing effects of several factors: first, the subsistence experience and traditions of the villagers, which provided a base for their movement into the commercial fisheries; second, the initiative and aggressiveness of the villagers--their determination to enter and eventually take over the fishery; third, improved herring stocks and reduction of foreign fishing with implementation of the Fisheries Conservation and Management Act of 1976; and fourth, the state Board of Fisheries' designation of the Cape Romanzof fishery as an exclusive registration area and prohibition of purse seiners north of Cape Newenham. Fishermen from other areas were less inclined to oppose these measures than they might otherwise have been because this is one of Alaska's less valuable herring fisheries, compared to Bristol Bay to the south.

Another positive factor was the coordinated efforts of several organizations at state, regional, and local levels (Figure 2). Most critical was an Alaska Renewable Resources Corporation loan of \$300,000, with repayment terms tied to each fisherman's catch revenues and to ground prices paid to fishermen. The Kokechik Corporation was formed to coordinate the servicing of the ARRC loan and to negotiate terms with fish buyers. The Stoknavik Cooperative organized a boat construction program (including the training of village fishermen to build their own boats), allocated boats and gear to fishermen, and established other basic policies. The Alaska



**Figure 2**

## **Cape Romanzof Herring Fishery Project**

Native Foundation, a statewide service organization, and Nunam Kitlusisti, a regional nonprofit corporation, contributed essential technical, legal, and business assistance in several phases of the operation.

### Conclusions

Combinations of the following factors contribute to Native participation in Alaska's commercial fisheries:

- Traditions--familiar technology and seasonal patterns that can be transferred from subsistence to commercial activity.
- Resources--favorable distribution of unallocated, underutilized, or "exclusive" area stocks.
- Markets--sufficient information and access.
- Facilities--adequate processing and transport.
- Organization--indigenously controlled local organization, with coordinated external financial and technical support.
- Policies--supportive regulatory regime.
- Programs--practical and realistically adapted to Native village conditions.

Commercial fishing is one of the very few occupations that has clear potential for successfully integrating cash economy and subsistence culture activities. On balance, traditions, regulations, organizations, and local initiative appear to be working in support of Native participation in Alaska's commercial fisheries, but losses of limited entry permits from Native villages is a continuing cause of concern.

## NOTES

1. See Alaska Native Foundation, Western Alaska's Fishing Industry: A Profile (Anchorage, 1981); and Steve J. Langdon, "Commercial Fisheries in Western Alaska: Implications of and for State Fisheries Policy," paper prepared for Western Regional Science Association Meeting, Monterey, California, February 22-25, 1984.
2. Thomas A. Morehouse and George W. Rogers, University of Alaska, Institute of Social and Economic Research, "Limited Entry in the Alaska and British Columbia Salmon Fisheries," report prepared for National Marine Fisheries Service, May 1980.
3. Adapted from Langdon, "Commercial Fisheries in Western Alaska," Table 6.
4. See J. Anthony Koslow, "Limited Entry Policy and Impacts on Bristol Bay Fishermen," in Contemporary Subsistence Economies of Alaska, papers compiled by Steve J. Langdon for Division of Subsistence, Alaska Department of Fish and Game, 1981, pp. 154-158; Robert J. Wolfe, et al., "Subsistence Based Economies in Coastal Communities of Southwest Alaska," Technical Paper No. 89, prepared for Division of Subsistence, Alaska Department of Fish and Game, and Minerals Management Service, Alaska Region, U.S. Department of the Interior, February 1984, pp. 536-37; Alaska Commercial Fisheries Entry Commission, "Alaskan Natives and Limited Fisheries of Alaska," Report No. 84-8, Juneau, Alaska, September 1984; and Langdon, "Commercial Fisheries in Western Alaska," pp. 18-23.
5. See Gunnar Knapp, Karen A. White, and Thomas A. Morehouse, University of Alaska, Institute of Social and Economic Research, "Institutions and Regulations in the Alaska King Crab Fishery: Effects on Residents and Nonresidents," report prepared for Alaska Department of Fish and Game, December 1983, pp. 127-148.
6. See Dean Olson, "Establishing a West Coast Herring Skiff Fishery at Romanzof Bay," in Contemporary Subsistence Economies of Alaska, pp. 165-182.

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