This month's "Trends" reviews the economic future of the fishing industry of the Kodiak region, with special emphasis on the prospects for development and utilization of new fishery resources there.

As one of the leading fishing ports of the world, (in terms of annual landings) the health of the fishing industry centered in Kodiak is of vital importance to the health of the overall Alaskan economy. There have been signs in the recent past that this particular segment of the economy was in danger of experiencing painful declines in the extent of fishing operations because of factors such as overfishing, depletion of stocks due to natural causes, lack of processing facilities, interference in the fishery by foreign nations, etc. Fortunately, there have also been encouraging signs for the Kodiak fishery in recent years as well. These will be reviewed here with an attempt to assess their probable effect on the long-term growth of the industry together with potential benefits to the economy that could accrue from them.1/

The first area we will discuss is the potential for development of extensive commercial utilization of bottom fish stocks in the area. Establishment of such a fishery seems to hold the greatest promise of long-term success and stability for Kodiak's economy. Unutilized by American fishermen, the tremendous stocks of Alaskan Pollock, True Cod, Sable Fish, Rockfish, Ocean Perch and assorted other species that make their habitat on the Alaskan Continental Shelf have been the target for a very intensive fishery in the Bering Sea by the Japanese, and to a lesser extent, the Russians and South Koreans. There is substantial evidence that American fishermen could catch bottom fish successfully by working the waters in the vicinity of Kodiak itself. Exploratory fishing has indicated that fish populations are high enough to support an extensive fishery for an indefinite length of time. A bottom fishery in Kodiak could capitalize on a current world shortage and subsequent high demand for white-fleshed bottom fish. Kodiak fishermen could participate in this fishery without purchasing new vessels, and conversion to deepwater trawling from crabbing could be accomplished at minimal expense, relative to potential profits that could accrue from such an endeavor. There are, however, many snags that stand in the way of the development of this fishery. Most importantly, existing processing facilities in the Kodiak area are not equipped to handle bottom fish. The largest portion of the demand for the product is for fresh or frozen fillets and because there is presently no automated filleting equipment in Kodiak, hand labor would be required in processing. Due to high labor costs, most of the profit margin in bottom fishing, which is essentially a high volume-low profit per unit fishery, would be eliminated if this method were used. For the fishery to prosper, it will have to be very efficient in order to be competitive price-wise with foreign products. Hence, the use of highly automated processing methods is an absolute must. International considerations are also likely to cause some problems to an incipient bottom fish industry. Additional treaties or agreements will be necessary to insure proper management of the resource as several areas, notably the once-productive Albatross Banks off Montague Island have had their fish populations decimated by foreign fishermen. If American fishermen are to make the capital expenditures necessary to enter the fishery, non-interference agreements between the U.S. and foreign fishing nations are a must. In summary, given the proper conditions, profitable development of bottom fish resources in the Kodiak area seems a strong possibility. These conditions include utilization of highly automated processing facilities, and protection of bottom fish stocks from destruction by foreign fishing fleets.

Tanner crab is another fishery resource of the Kodiak area which has seen relatively little utilization in recent years, but has an extremely bright future. There are known to be large stocks of tanner (commonly called "snow") crab in the vicinity of Kodiak Island, but lack of sizeable markets have precluded the harvest of this abundant resource. There has been recently, however, a growing acceptance of tanner as an equal substitute for king

1/ Resource persons for this article were Roy Rickey, Director of Commercial Fisheries, Alaska Department of Fish and Game, and Bob Simon, State–Federal Coordinator, National Marine Fisheries Service. Both are former Regional Supervisors of the Kodiak Region for the Alaska Department of Fish and Game and acknowledged experts on Kodiak fishery resources.

crab, particularly for institutional uses. Because of recent failures of the dungeness crab fishery in Washington, Oregon, and California, and low catches in Alaska, the ever-increasing demand for crab meat has been filled by tanner crab. Acceptance is expected to increase as the product becomes more familiar in major markets, and there is every indication that the tanner crab fishery will strengthen as the stocks of other species are subject to stricter controls. In fact, because of the abundance of the shellfish, tanner may be the "money" crab of the future for Kodiak fishermen.

One of the most dramatic changes in the make-up of the Kodiak fishery in recent years is the tremendous increase, and reliance upon, the shrimp fishery. In the last 11 years, shrimp landings in Kodiak have increased from approximately 3 million pounds in 1960 to more than 79 million pounds in 1971. This dramatic advance has caused a concomitant increase in processing plant size and employment and in its wake created a general economic boom for the island community. It now appears that there will have to be a decreasing emphasis on the shrimp fishery in order to avoid overharvesting of the resource similar to that which occurred with king crab during the latter half of the past decade. The present level of capital that is devoted to shrimp production will not be justified by projected reduced catches stemming from such a de-emphasis, and some processors and fishermen will undoubtedly have to shift their activities to other species, perhaps bottom fish or tanner crab.

Kodiak has traditionally enjoyed one of the most stable levels of salmon production of any area of the State. The factors contributing to this trend are expected to continue to provide good solid runs of salmon in the future. Probably the main reason for optimism about the fishery is the fact that the Kodiak area is perhaps the finest habitat for salmon in Alaska. Most of the island is a wildlife refuge, neighboring Afognak Island is entirely reserved from development, and nearby on the mainland, Katmai National Monument also provides undisturbed wilderness. Together with the remoteness and inaccessibility of the Alaska Peninsula, the above factors insure that salmon streams of the region will be secure from the hazards that are present in other areas of the State. Hence salmon have, and should continue to flourish. Therefore, there is little danger that the Kodiak salmon industry will have to reduce operations because of resource depletion.

In conclusion, the future of Kodiak fishing industry is extremely bright, and residents of the area are optimistic. Reflecting this optimism, many fishermen are investing in new boats and gear or upgrading present equipment both to participate in new fisheries and to improve their ability to utilize those already established. It is felt that increasing emphasis on bottom fish and tanner crab will combine with continued successful harvests of shrimp, king crab, salmon and halibut to maintain the island's position as one of the world's leading fishing ports. The development of new fisheries in Kodiak is probably several years away, but look for new development and success for the Kodiak fishing industry.

ALASKA'S ECONOMY IN JUNE

TOTAL EMPLOYMENT: Normal seasonal expansion of the work force occurred in June with the addition of 7,600 positions. Although employment gains were registered in all industry groups, the bulk of the overall gain was caused by jumps in food processing and construction employment which are up 4,100 and 1,500 respectively from May estimates. Mining is the only industry to show lower employment levels this June than last, reducing employment 200. Other industries have registered employment gains of up to 1,500 workers in the past year.

Mining: Widespread inactivity typified the mining industry in June as it has all year as the industry "marks time" in anticipation of new developments on both the hard-rock mineral and oil exploration scene. Employment did increase by approximately 100 during the past month, but about 200 more persons were employed last year at this time.

Construction: The month of June saw the start of a number of projects which boosted employment considerably. Over the month 1,500 jobs were added raising total employment approximately 200 higher than at the same time last year. Further employment increases should be in the offing for the ensuing summer months as work progresses on a record volume of construction contracts.

Manufacturing: The manufacturing industry was the scene of the largest employment gains during June