Craig, Alaska

Prince of Wales town's transition from cannery, logging booms

By **ALYSHA GUTHRIE**

Prince of Wales is the southernmost island in Southeast Alaska, rich with resources used for centuries by the Tlingit and Haida people. Though sparsely populated, it covers 2,577 square miles, making it the fourth-largest island in the United States.

The island's largest incorporated city is Craig, a fishing village nestled on the west coast and sheltered from the open ocean by several islands. The closest, *Shaan Da*, or Fish Egg Island, is home to the area's vital herring fishery.

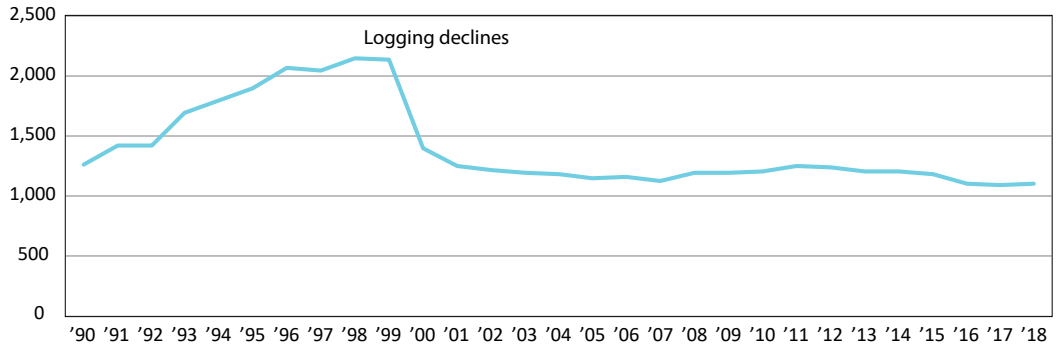
Craig's Tlingit name is *Shaan Seet*, named for the small strait between the city and Fish Egg Island. It's also the name of the local Native corporation, which has more than 580 shareholders.

While the island has a road system that connects all its communities, Craig's only commercial access is via small seaplane or boat. Klawock, which is about seven miles away, serves as access point and houses an Inter-Island Ferry Authority office as well as two regional airlines with planes that carry up to nine passengers. The ferry runs from Ketchikan to Hollis, a town about 30 miles across the island by road. (See the map on the next page.)

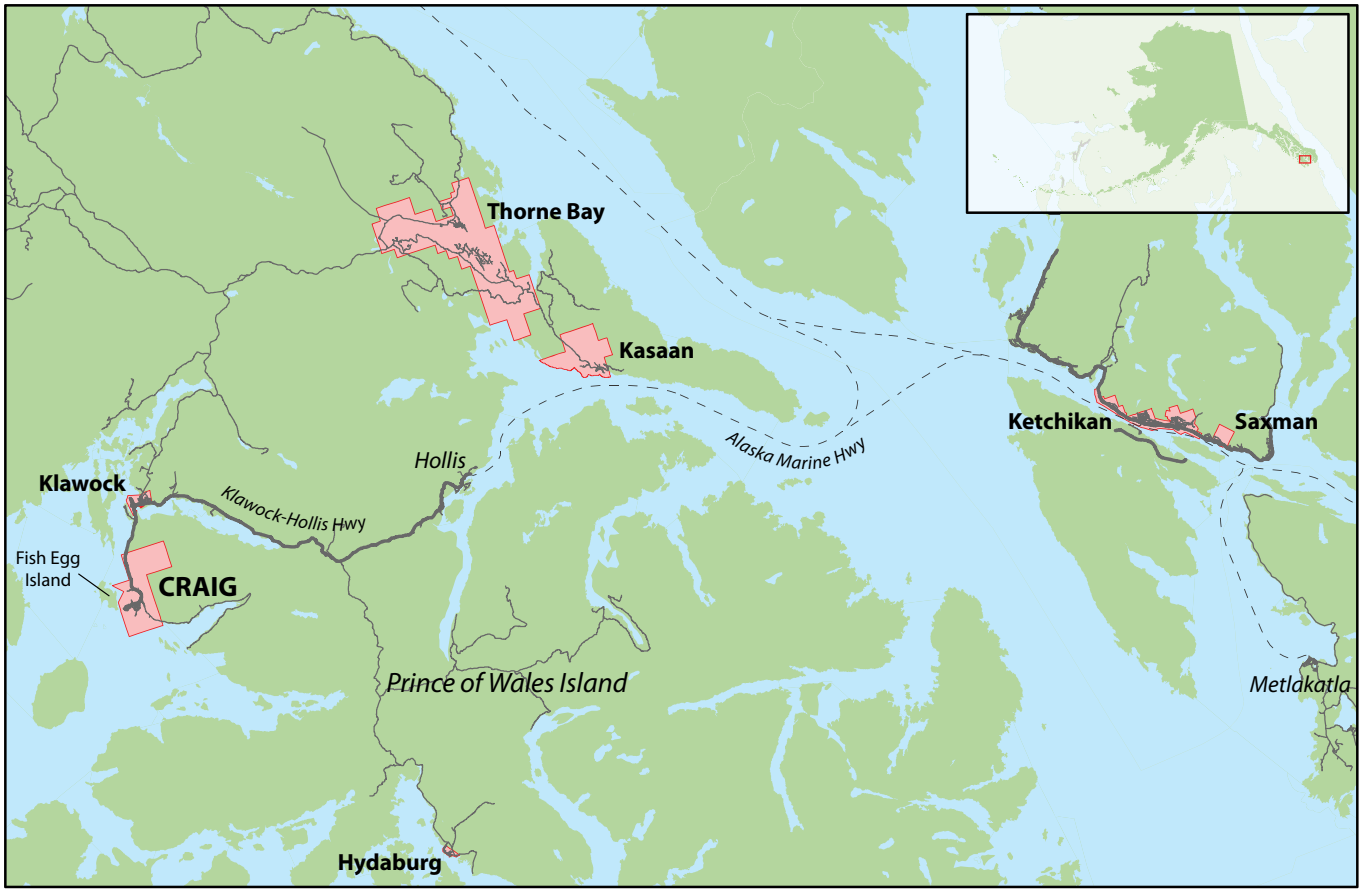
Craig had about 1,095 residents in 2018, down from 1,201 in 2010 and 1,397 in 2000. Even the 2000 count was a significant drop, however. Craig's population grew through the 1990s before peaking in 1998 and 1999, then dropping the following year with the decline of logging. (See Exhibit 1.)

1 Craig Settled At Just Over 1,000 People After 2000

CRAIG POPULATION, 1990 TO 2018 ESTIMATES



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The cannery and Craig's early fishing boom

Craig's modern economy began with fishing. The town was named for Craig Miller, who established a fish saltery on the island in 1907 followed by a cold storage plant and a packing company. By 1912, the town had a salmon cannery as well. Craig became a second-class city in 1922 and a first-class city in 1973.

Seacoast Packing Co. bought the Craig cannery in 1929, then folded in two other Prince of Wales plants the following year: the cannery near Karheen Creek and the Klawock cannery, which was built in 1878 and was Alaska's first. The town's population grew through the 1930s as pink salmon runs hit records.

At one time, the Craig cannery was known as "the heartbeat of town." It was the primary source of residents' income, and the town came to life each May for its seasonal opening. Things quieted down with the end of the purse-seining season.

Operations came to an abrupt end in 1957 when the cannery burned down, which was the fate of nearly half of all Southeast canneries between 1878 and 1949. The fires were caused by a range of factors, including crude and mostly wood construction, flammable heating oils and oily waste, boilers that operated at high temperatures and pressures, and inadequate fire suppression equipment.

According to the Alaska Historical Society, 134 canneries were built between those years, 65 burned and were not rebuilt, five burned and were rebuilt, 10 were moved to other sites, and some operations were consolidated. By 1949, Southeast had just 37 operating canneries.

The property, on which some buildings remained, was sold in 1959 and repurposed as a major maintenance and supply station in 1963. As fishing declined, these services became less necessary and eventually the property was for sale again. Ward Cove Packing acquired it in 1988, and in 2007, the city purchased the site for $1.75 million after eyeing it for several years for possible new harbor and support facilities.

Because of the cannery's historical significance, many residents are happy to see it in local hands. The city is formulating its development plan, with the goal of balancing economic development, harbor use, public use, and historical preservation as well as working it into

At left, Craig's cannery site in 2007. The cannery burned down in 1957 and the site changed hands a few times in the years that followed. The city purchased the property in 2007 and is developing a plan for it this year, with the goal of development for multiple uses while keeping a clear connection to its history. Photo by National Oceanic and Atmospheric Administration

downtown traffic patterns.

Development will likely include recognition of the site's history while making it suitable for industrial and marine use as well as mixed commercial and residential use. The Craig Harbor Advisory Committee, Craig Planning Commission, and the city council will take public input and make major development decisions this year.

Logging took over as fishing dwindled

The town lost its booming fishing industry as well as its cannery in the 1950s as local salmon runs became depleted. Coinciding with the collapse of commercial fishing, the city signed a 50-year timber contract with the U.S. Forest Service.

The timber industry flourished over the next few decades, and Craig's population grew steadily until the industry declined dramatically in Southeast in the late 1990s and 2000s. Without another industry to take logging's place, many people left Craig.

Small-scale, family-owned sawmills specializing in value-added products continue to operate in the area, and fallers remain one of the top occupations in the city, at 13 workers in 2016. The last of Southeast's large-scale mills also continues to operate, but its future remains uncertain with a decreasing timber supply.

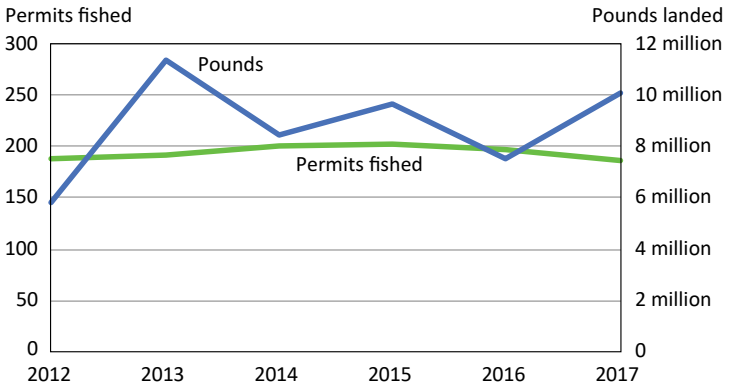
Logging may have faded, but it left a permanent mark on the city. About 33 percent of the homes in Craig are trailers set up in the 1970s during the logging boom to accommodate the influx of workers.

Craig's mix of industries today

Most workers in Craig have shifted to local government, health care, transportation, and commercial fishing. (See Exhibit 3. Note that it doesn't include most commercial fishermen because they're self-

2 Poundage Varies, But Fishing Steady

CRAIG, 2012 TO 2017



Source: Alaska Commercial Fisheries Entry Commission

Prince of Wales Island has its own marathon, now in its 20th year, which draws about 400 runners from around the world to run the full or half marathons or relays. Times can be used to qualify for the Boston Marathon.

employed.) Although the salmon runs haven't reached the heights of the early 1900s, their numbers have rebounded and commercial fishing remains a major part of the city's economy. Landed poundage has varied over the years, but the numbers of issued and fished permits has remained consistent. About about 200 permits are fished in Craig each year. (See Exhibit 2.)

Subsistence fishing also plays a vital role for most residents, who harvest salmon, halibut, rockfish, herring, and shellfish as well as the occasional marine mammal — mainly harbor seals.

About 62 percent of Craig residents work, and about two-thirds of those are employed year-round. Median household income is lower than the state's, at $62,826 in Craig versus $76,114 statewide.

The area's unemployment rate runs higher than the state and the Southeast Region, and the seasonality of some of the island's industries plays a role. These include charter sport fishing, construction, and agriculture, which is mostly logging but includes some hatchery employment. Prince of Wales' average annual unemployment rate has averaged around 11 percent since 2010 and is currently close to 10 percent, while the Southeast Region and Alaska rates have fallen between 6 and 8 percent since 2010.

The area's seasonal swings are larger, too. The Prince of Wales-Hyder Census Area's unemployment peaks in the first quarter of the year and falls in the third. The state's highs and lows are similar — February and August — although the difference is far less drastic than for Prince of Wales, at around 2 percent versus nearly 7 percent.

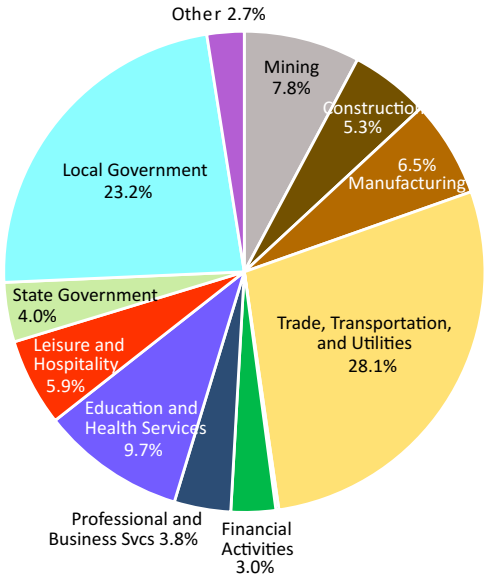
An increasingly older population

Another shift for Craig in recent years is that the median age of its population, which like most of Southeast was already older than the state overall, has continued to rise. In 2010, Craig's median age was 36.2, which rose to 38.1 in 2018. Alaska's median age increased from 33.8 to 35.2 over that period.

Craig's racial makeup is similar to the state as a whole.

3 Where Residents Work

CRAIG WORKERS BY INDUSTRY, 2016

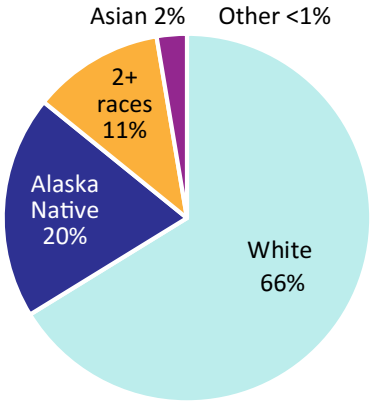


Note: Does not include federal workers or the self-employed, such as most commercial fishermen

Source: Alaska Department of Labor and Workforce Development

4 Craig's Racial Makeup

2013-2017 ACS



Source: U.S. Census Bureau, American Community Survey 2013 to 2017

Sixty-six percent of residents are white, 20 percent are Alaska Native, 11 percent are of mixed race, and 2 percent are Asian. (See Exhibit 4.)

Alysha Guthrie a research analyst for Research and Analysis in Juneau. Reach her at (907) 465-6029 or alysha.guthrie@alaska.gov.