

# CANNERY HASSLE RAGES

## Hydaburg Demands Public Hearing

A fiery controversy is raging in Southeast Alaska over a decision by the Bureau of Indian Affairs to close the cannery at Hydaburg.

The controversy first came to general public attention when a VISTA volunteer stationed at Hydaburg wrote Governor William A. Egan that

BIA had decided to combine cannery operations of Klawock and Hydaburg at Klawock.

At a public meeting held about a month ago, the VISTA volunteer, Robert Mandell, said the BIA had disregarded an earlier agreement that canneries at each of the two Southeastern communities would operate in alternate years. He also said that the citizens of Hydaburg gave much more compelling reasons for the feasible cannery operation at Hydaburg than at Klawock, that the officials could not refute the arguments, and when asked specific questions could not, or would not, provide answers.

The letter of the VISTA volunteer put Governor Egan in a somewhat awkward position in

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*See letters concerning the cannery controversy on pages 2 and 4.*

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that it was released and printed by the Ketchikan Daily News prior to being received by him.

Later, a minister at Hydaburg, and others have written in protest to newspapers and government agencies demand-

# Raging Cannery Controversy . . .

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ing a public hearing on the matter.

A. H. Walker, area credit officer of the BIA in Juneau, told Tundra Times in an interview that the decision to close the cannery at Hydaburg was based on a consensus by the BIA Washington Staff, the credit office staff at Juneau, with "the firm that does the auditing getting in on the picture."

Asked if the people in the communities were consulted prior to the decision, Walker said that both communities naturally wanted their canneries to operate but pointed out that managers of the two canneries were given the opportunity to present budgets and to make presentations.

Walker said that the decision to close the canneries was primarily a matter of economics, that the nationwide BIA revolving loan fund was exhausted.

Ross Miller, head of the industrial development branch of the BIA in Juneau, termed the cannery operations a "losing proposition" and suggested if they were going to be welfare projects that they be operated with welfare funds. He pointed out that national chains had consolidated and diversified their operations in Southeast Alaska and that Indian fishing communities would have to do the same if they hoped to make money.

It might be pointed out in passing that the big black mark on the National BIA re-

volving fund is comprised by the cannery and fishing operations of the villages of Kake, Angoon, Hydaburg, and Klawock in Alaska.

At the end of 1962, their indebtedness for purchase and operation of canneries and for purchase of boats equalled nearly \$4 million. Since that time the total has gone over \$5 million, comprising over 40 per cent of the national fund. Over 93 per cent of the fund's reserve for bad debts has been taken by the loans to the four communities.

To supervise the loan program in Southeast Alaska, the regional BIA credit office is comprised of 21 persons, over twice the size of the credit staff in the Washington BIA office.

A five-year operating record (1957-1962) shows that the Kake and Hydaburg canneries have made profits, whereas the Klawock and Angoon canneries have lost money. During the five-year period the Klawock cannery had a deficit (operating costs over revenue earned) of \$170,317.68, and the Angoon cannery (which burned early in 1961) a deficit of \$83,000.

According to Secretary of Interior Stewart L. Udall's 1962 task force, "fishing fleets of Angoon and Klawock are physically inferior in boats and gear to those of Kake and Hydaburg and that all four are deficient in the number of large boats needed to leave the inland waters

and fish in the deeper ocean."

One of the recommendations stressed by the task force was the need for cannery consolidation. According to the report: "The big private companies have stayed in business in Southeast Alaska largely through consolidation and diversification. Unless there is a great increase in the salmon runs which can be sustained for several years, it seems unrealistic to assume that all of the native canneries can continue to operate individually without going more deeply into the hole. The situation is sufficiently critical to warrant advising the villages that if they do not adopt some plan for consolidation, they may not be able to continue in the cannery business."