



FEDERAL ACTIONS

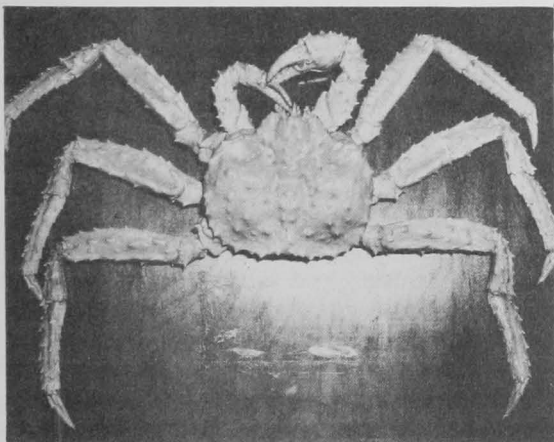


Federal Trade Commission

PRICE FIXING ON KING CRABS IN ALASKA CHARGED:

A Kodiak, Alaska, affiliate of the Seafarers International Union of North America (American Federation of Labor), was found September 10, 1956 (Initial Decision, Docket No. 6368, King Crabs) by a Federal Trade Commission hearing examiner to be engaging in conspiracy and coercion to fix the prices of raw king crab.

This is not a final decision of the Commission and may be appealed, stayed, or docketed for review.



Alaska king crab (*Paralithodes camtschatica*)

Examiner William L. Pack held that the conspiracy may enhance the price the public ultimately must pay for king crab. He said the conspiracy includes the Union, an association of boat owners or captains, and three canners in the area.

The examiner found that the union and the association also used coercive methods against a fourth canner, who in 1954 refused to pay the fixed price for crabs.

The relatively new king crab industry began in the Kodiak area about five years ago. It has experienced rapid growth, and now the annual wholesale value of the king crab pack is between two and three million dollars.

A king crab weighs from 8 to 20 pounds and is considered a delicacy. A case of 48 $\frac{1}{2}$ -pound cans of meat wholesales for about \$30.

Since 1952, the examiner said, negotiations between the union or association and the canners have resulted in a fixed price paid by canners to the vessel owners for the live crabs. In 1954 and 1955 this price was 9 $\frac{1}{2}$ cents a pound.

Evidence presented at hearings in Washington State and Alaska, he said, shows that the union and the association in 1955 used coercive tactics against a Port Wakefield, Alaska, cannery which refused to pay more than 8 cents a pound. The examiner found that the cannery officials were told by an association official that unless the company signed up at 9 $\frac{1}{2}$ cents, it would not be allowed to operate; that it would get no crabs; that if any fishing boat attempted to sell at 8 cents, it would get into trouble; that an association official would make trouble for the company with the labor union; and that the company would have trouble with its gear.

In another instance, the examiner said, a boat owner who had intended to fish for that cannery asked to be relieved of this obligation after a visit from the same association official. When attempting to hire workers for the cannery, the examiner continued, cannery officials found that union members, willing to accept jobs, were afraid lest they incur the displeasure of the union. On one occasion the cannery officials went to

union headquarters in Kodiak where a large number of cannery workers were available for work. The union's secretary, however, refused to let them work unless the cannery agreed to pay the fixed price.

The Commission's complaint in this proceeding was issued June 27, 1955.

Two of the three canners named in that complaint agreed to accept a consent order which was approved and issued by the Commission May 3. One of these two companies was of Seattle, and the other of Kodiak. The third cannery of Kodiak, did not answer the charges and is in default. Accordingly Mr. Pack on September 10 issued an order against this company.

The examiner noted in his decision involving the union that it is difficult to distinguish between the union and the association. In fact, he said, the association was formed in 1954 as the representative of boat owners or captains who had been union members prior to that time. The reason for this move was the decision of the union that the two groups, crew members and boat owners, would have to be separate. The examiner also noted that the principal officers of the association had been the principal officers of the union. In addition, the association was given a third interest in the union's assets including one-third interest in the Union Hall.

"It is difficult to escape the impression that the purported separation of boat owners and crew members was more technical than real; that actually the union is continuing to fix prices, using the association as a means to that end," the examiner said.

The examiner issued an order which specifically would prohibit the union and association from continuing any of the following activities:

(1) fixing or attempting to fix any price at which king crab or crab meat is to be purchased or sold; (2) jointly or collectively negotiating as to any such price; (3) coercing or compelling purchasers or sellers of king crab or crab meat to adhere to any price; (4) preventing or attempting to prevent any person from accepting or retaining employment in a cannery or other establishment processing king crab, with the purpose or effect of causing the establishment to maintain any particular price.

The order, however, would not be construed to prevent the following things:

(1) any respondent, individually, from negotiating with any canner or processor; (2) any association of bona fide fishermen from acting in accordance with the Fishermen's Cooperative Marketing Act; (3) collective bargaining between the union and any employer with respect to wages, hours, and working conditions of union members.



SEAWEED FOR SLIMMING

German scientists have discovered the slimming powers of seaweed. By drinking a simple concoction made from seaweed jelly, the appetite is reduced and the need for drastic dieting vanishes.

The drink, which is harmless and contains no fattening matter, forms a jelly-like lump in the stomach, which takes several hours to digest and thus discourages eating. The drink is prepared by dissolving the jelly in water.

--The Fishing News, September 14, 1956.