Coastal tribes hope to bring back sea otters

By AMY MAYER
National Public Radio

Reed Saxon/AP Photo

A group of sea otters gather in Morro Bay in 2010.

The lives of sea otters — the tool-using marine mammals — were once intertwined with those of the coastal tribes in Oregon. But when fur traders discovered the value of the warm, waterproof pelts, a global trade led to the near extinction of the animals. Now, local Native Americans are hoping to bring them back.

Peter Hatch, a member of the Confederated Tribes of Siletz, says he began learning about the relationship between his people and the otters when he and his father built a boat and needed a name for it.

"My dad happened across elakha, for sea otter, in a Chinook jargon dictionary," Hatch said, standing on Sunset Beach, just south of Coos Bay. That's where the last local sea otter was sold in 1910, one year before implementation of an international treaty to protect them.

Hatch and his father delved into the history of otters and became interested in bringing them back.

"We survived and the sea otters didn't," Hatch said. "That leaves us with a level of responsibility to undo the wrongs that all people, whatever their particular background — we've had our own small part in committing."

His father founded the Elakha Alliance about 20 years ago to advocate for returning sea otters to Oregon. The older Hatch has passed away, but today the group has the blessing of three coastal tribes. Hatch is the group's secretary.

"It is about restoring that relationship," he said, "about bringing back a relative."

The Elakha Alliance has commissioned a feasibility study looking at the biology, ecology, economics and cultural impacts of reintroducing otters. An unanswered question is why the 1970 effort to move some Alaska otters to Oregon failed. But during the long years otters have been away, a shellfish industry has grown lucrative in the very waters where the otter restoration would take place.

Off the coast of Bodega Bay, California, 450 miles south of Coos Bay, Dick Ogg and his two-person crew throw Dungeness crab pots into the water. Ogg says he has nothing against otters.

"Personally, I love 'em. They're really neat little critters," he said.

But otters eat about a quarter of their body weight every day to stay warm in frigid Pacific waters. He's concerned sea otters would start chowing down on Dungeness crab.

"If they bring the little guys up here and they wipe out the Dungeness crab fishery, it's going to wipe out the fishermen," Ogg said. "That's our main opportunity to make our living."

More than 800 people in Oregon and California hold commercial permits for Dungeness crab and they employ many others who also rely on the fishery. Ogg knows sea otters once lived here and farther north. But now they stay well to the south.

"Why haven't they reached past that point?" Ogg asked.

The answer to Ogg's question can be found at the Monterey Bay Aquarium, which has an indoor exhibit of swimming sea otters who dive down, pop out of the water and roll onto their backs to oohs and ahhs from visitors. But aside from the exhibit otters, who are unable to live in the wild, the aquarium rehabilitates abandoned pups and releases them.

Jessica Fuji, sea otter program manager at the aquarium, says there are natural hurdles preventing sea otters from moving back into Northern California and Oregon waters.

"Both to the north and south ends of their current range is where there are a lot of white sharks," she said. The aquarium releases healthy pups in a nearby estuary, Elkhorn Slough, where resident otters provide a community. Fuji says the next step for restoration would be to see whether the otters really could live again where they once thrived.

"Looking at a good habitat for the sea otters ... is there food? Risks from predators, as well as different diseases? All of that combined is going to have to be considered in finding a potential otter utopia," Fuji said.

Maybe Oregon could be that promised land. Sea otter advocates got a boost last year when U.S. Sen. Jeff Merkley, an Oregon Democrat, pushed Congress to request a reintroduction feasibility study from the U.S. Fish and Wildlife Service. It's due next month. Peter Hatch says his Elakha Alliance wants to see a healthy marine ecosystem here in 50 years that includes sea otters.

"Success for us looks like a couple of hundred otters, not a couple of thousands," Hatch said.

He hopes that would be enough to revive the connection between Oregon's coastal tribes and the marine mammals that once helped sustain them.

Consumer spending drives supply shortages

By TOM KRISHER and PAUL WISEMAN
Associated Press

Marcio Jose Sanchez/AP Photo

A cargo ship stacked with shipping containers is seen docked at the Port of Los Angeles earlier this month.

DETROIT — Take a step back from the picked-over store shelves, the stalled container ships and the empty auto showrooms, and you'll find a root cause of the shortages of just about everything.

Even as the pandemic has dragged on, U.S. households flush with cash from stimulus checks, booming stock markets and enlarged home equity have felt like spending freely again — a lot. And since consumer demand drives much of the U.S. and global economies, high demand has brought goods shortages to the U.S. and much of the world.

Add the fact that companies are ordering — and hoarding — more goods and parts than they need so they don't run out, and you end up with an almost unquenchable demand that is magnifying the supply shortages.

That's where a big problem comes in: Suppliers were caught so flat-footed by how fast pent-up spending surged out of the recession that they won't likely be able to catch up as long as demand remains so robust. That's especially so because Americans, still hunkered down at home more than they did before the pandemic, continue to spend more on goods — electronics, furniture, appliances, sporting goods — than on services like hotels, meals out and movie tickets. All that demand for goods, in turn, is helping to accelerate U.S. inflation.

Unless spending snaps sharply back to services — or something else leads people to stop buying so much — it could take deep into 2022 or even 2023 before global supply chains regain some semblance of normalcy.

"Demand is completely skewed," said Bindiya Vakil, CEO of Resilinc, a consulting firm that helps companies manage supply chains. "This has now become more and more painful by the day."

One reason people may eventually stop spending so much is that everything simply costs more now. Consumer prices in the U.S. skyrocketed 6.2% over the past year as food, gasoline, autos and housing catapulted inflation to its highest pace since 1990. The laws of gravity suggest that the cumulative effect of so much inflation will eventually exert a brake on spending.

For now, though, manufacturers foresee no end to heavy demand — and no end to beleaguered supply chains or spiking inflation pressures. A chronic lack of computer chips has forced Ford Motor Co., for instance, to revamp its system of ordering parts that require long periods from order to delivery to try to address shortages.

"It's highlighted that the 'just-in-time' operating model that's been prevalent in autos may not be the right operating model," Hau Thai-Tang, Ford's chief operations and product officer, told analysts.

Smaller companies, too, have felt compelled to build up as many supplies as they can so they can still make products. Moriarty's Gem Art near Chicago, a family business for 40 years, has been stocking up on gold, silver and platinum to make necklaces and rings, desperate not to run out of supplies as holiday orders pick up.

"We're ordering a lot more than what we actually have orders for — just in case," said Jeff Moriarty, the marketing manager.

Even a normal post-holiday shopping lull, though it might help, isn't expected to be enough to unclog ports, speed shipping traffic or allow factories to replenish inventories.

"The baseline expectation for improvement is around the middle of 2022," said Oren Klachkin, lead U.S. economist for Oxford Economics. "But I think the risks of that happening later are fairly high."

Though Americans have increasingly ventured out in recent months, the balance between spending on goods and services remains skewed. The pent-up demand that followed the economic recovery is still tilted toward goods like furniture and cars and less toward haircuts, concerts and restaurant meals. Though services spending has grown in recent months, it isn't nearly enough to close the gap.

Since April 2020, consumer spending on goods has jumped 32%. It's now 15% above where it was in February 2020, just before the pandemic paralyzed the economy. Goods account for roughly 40% of consumer spending now, up from 36% before the pandemic.

U.S. factories have tried mightily to keep up with demand. Production rose nearly 5% over the past year, according to the Federal Reserve, despite periodic ups and downs, including disruptions to auto production caused by chip shortages.

Imports have narrowed the gap between what America's consumers want and what its factories can produce. From January through September this year, the U.S. imported 23% more than in the same period in 2020. In September, thanks to surging imports, the U.S. posted a record deficit in goods trade: Imports topped exports by $98.2 billion.

Voracious demand for goods has accelerated as more people have become vaccinated in wealthier countries. Yet in poorer countries, especially in Southeast Asia, the spread of the delta variant forced new factory shutdowns in recent months and crimped supply chains again. Only recently did it start to recover.

At the same time, many U.S. workers have decided to quit jobs that had required frequent public contact. This created shortages of workers to unload ships, transport goods or staff retail shops.

Ports clogged up. Last month, 65 ships waited off the California coast to be unloaded at the Ports of Los Angeles and Long Beach — two weeks' worth of work. The average wait: 12 days. That has since worsened to 78 ships, with an average wait of nearly 17 days, despite around-the-clock port operations beginning in October.

Before the pandemic, ships had set arrival times and went straight to a berth for unloading, said Gene Seroka, the L.A. port's executive director. Now, with Asian factory output at record highs, the port is moving record levels of goods. Yet it's not enough to meet the demand.

Seroka doesn't foresee the shipments easing even next year. Retailers have told him they plan to use the slower months of January and February — if they actually are slower — to replenish inventory.

As with ports, rail lines are moving more goods. Through early November, freight shipped by America's railroads was up 7.5% from a year ago. Truck shipments were up 1.7% in September. Yet there aren't enough drivers or trucks to move all the freight.

In China, too, manufacturers are struggling with shipping delays, container shortages and cost increases. Shantou Limei International Ltd., which makes children's toys in the city of Shantou, expects sales to fall 30% this year because of delays and costlier shipping.

"The most serious problem for us is being unable to deliver goods on time because of the difficulties in securing freight containers," said Frank Xie, the company's general manager. "A lot of things have gone beyond our controls and expectation."

Philip Richardson, an American who manufactures loudspeakers in Panyu, near Hong Kong, said orders have increased 400%. A key reason is increased demand from Americans and Europeans, who have gone on a home electronics buying spree. The price to ship goods to U.S. customers on a 40-foot cargo container, meantime, more than tripled in July.

"The customer has to bear it or cut back on orders," Richardson said.

Song Wenjie, owner of Hand-in-Hand Electric Appliance Technology Co., a manufacturer of home appliances in Jiaxing, south of Shanghai, said that soaring cargo prices make it unprofitable to ship some goods.

"The combination of power outages and shipping delays might lead to a 20% fall in production this year, Song said.

Among European companies grappling with snarled supply lines is Shoe Zone, a British retailer that sources most of its footwear from China. Shipping container prices have jumped at least five-fold in 12 months, said Anthony Smith, the chief executive.

"This will continue to impact us for at least a further six months until the issues being experienced in the whole supply chain return to more sensible levels," he said.

Associated Press writers Joe McDonald, Yu Bing, Kelvin Chan and Mae Anderson contributed to this report.