COMMERCIAL FISHERIES REVIEW

May 1951 Washington 25, D.C. Vol. 13, No. 5

TUNA PRODUCTION AND EXPORT POTENTIALITIES OF JAPAN

By William C. Herrington*

AN ADDRESS ("JAPAN'S POSITION AND POTENTIALITIES") GIVEN AT THE FISHERIES FORUM (PANEL NO. 2 - "THE PROBLEM OF FISHERY IMPORTS") OF THE SIXTH ANNUAL CONVENTION OF THE NATIONAL FISHERIES INSTITUTE, HOTEL STATLER, BOSTON, MASS., APRIL 9, 1951.

* * * * * *

INTRODUCTION

The problem of foreign imports directly or indirectly affects practically every fisherman, boat owner, processor, and dealer in the United States. It is a problem which will remain with you throughout your future business activities. This problem also affects United States citizens in general because of its relation to United States foreign economic policy and the food budget of the consumer. Since it affects so many people in addition to you and others in your particular segment of the industry, you must accept the fact that United States policy regarding imports will not be based alone on your interests and desires. You will get the import policy and action you seek only to the extent that you can convince the United States people and Government that the policy you advocate will contribute to the best interests of the United States as a whole. It is, therefore, essential that you develop a sound policy and the prerequisite for such a development is a thorough understanding of all the factors involved.

FIGURE 1 - IZU PEN, A TYPICAL FISHING VILLAGE NEAR ITO, JAPAN.

I am here today, not as an advocate of one policy or another, but to give you as much background knowledge as I can concerning one major factor, Japan and her tuna fisheries. Japan is not the only country with which you will be concerned, but I believe that she will, to an increasing extent, dominate the import picture in the Pacific.

Japan is a nation with some 1.5 to 2.5 million full- and part-time fishermen, with more than 450 thousand fishing boats of all types, and with the greatest domestic market for fishery products of any nation in the world. Japan also is a nation of more than 83 million people jammed into an area smaller than the State of California. This area is so mountainous that even by the use of extremely laborious and costly mountainside terracing the tillable area is much less than that now

*FORMERLY CHIEF OF THE FISHERIES DIVISION, NATURAL RESOURCES SECTION, GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, TOKYO, JAPAN.

being cultivated in California. This tillable land is intensively and skilfully cultivated (providing the highest rice yields in the world) and improvements in cultivation and handling are being placed in operation as rapidly as possible. However, the most optimistic experts do not predict that Japan, even with these improvements, can supply more than about 85 percent of her agricultural requirements.

FOOD FROM THE SEA TO BALANCE JAPANESE FOOD DEFICIT

Faced with a deficit in agricultural food production the Japanese officials and people, looking out over their rigidly restricted and mountainous land see the oceans as providing the only hope for balancing their country's food budget. Already there has been an almost unrestricted trend in this direction. The coastal fisheries of Japan, which supply about 85 percent of her total fisheries catch, within the past ten years have been crowded with between a quarter- and a half-million excess fishermen. This has so divided the catch that practically all of these fisheries face economic collapse unless some other livelihood is found for the surplus fishermen.

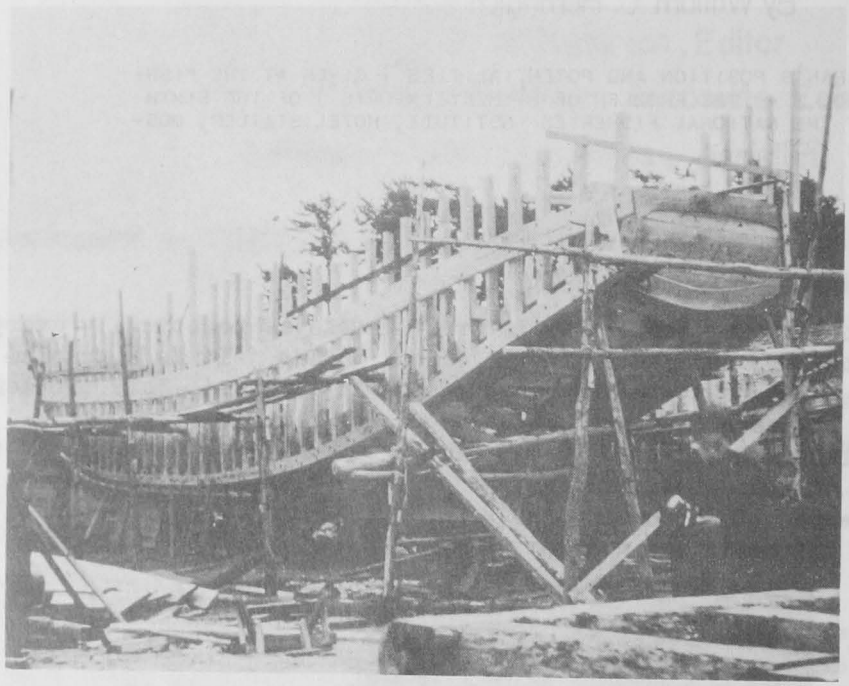

FIGURE 2 - THE FRAMEWORK OF A JAPANESE TUNA BOAT.

The Japanese people look to further expansion of their fisheries to do three things:

1. Absorb some of the surplus fishermen now crowding the coastal waters
2. Provide greater production to reduce the food deficit of the nation
3. Provide additional products for export to supply foreign exchange with which to obtain needed imports

The first two objectives do not concern us here today, but the third one does, for it happens that the most promising and probable markets for Japanese fishery exports lie in the United States.

U. S. POSITION REGARDING JAPANESE EXPORTS

Now, what about the United States position regarding Japan and Japanese exports? Since shortly after the Japanese surrender it has been basic United States policy to actively encourage a stable, economically sound, democratic Japan. The desirability of this policy has become even more obvious in the last two years with the successful drive of communism on the Asiatic mainland. The general approval and support of this policy by the American people has been demonstrated during the past several years by the repeated appropriation of hundreds of millions of dollars to help re-establish the

Japanese economy on a sound, self-supporting, and democratic basis. Probably today the only people who question the wisdom of our efforts to encourage a sound Japanese economy are the Russian communist leaders and their stooges and satellites.

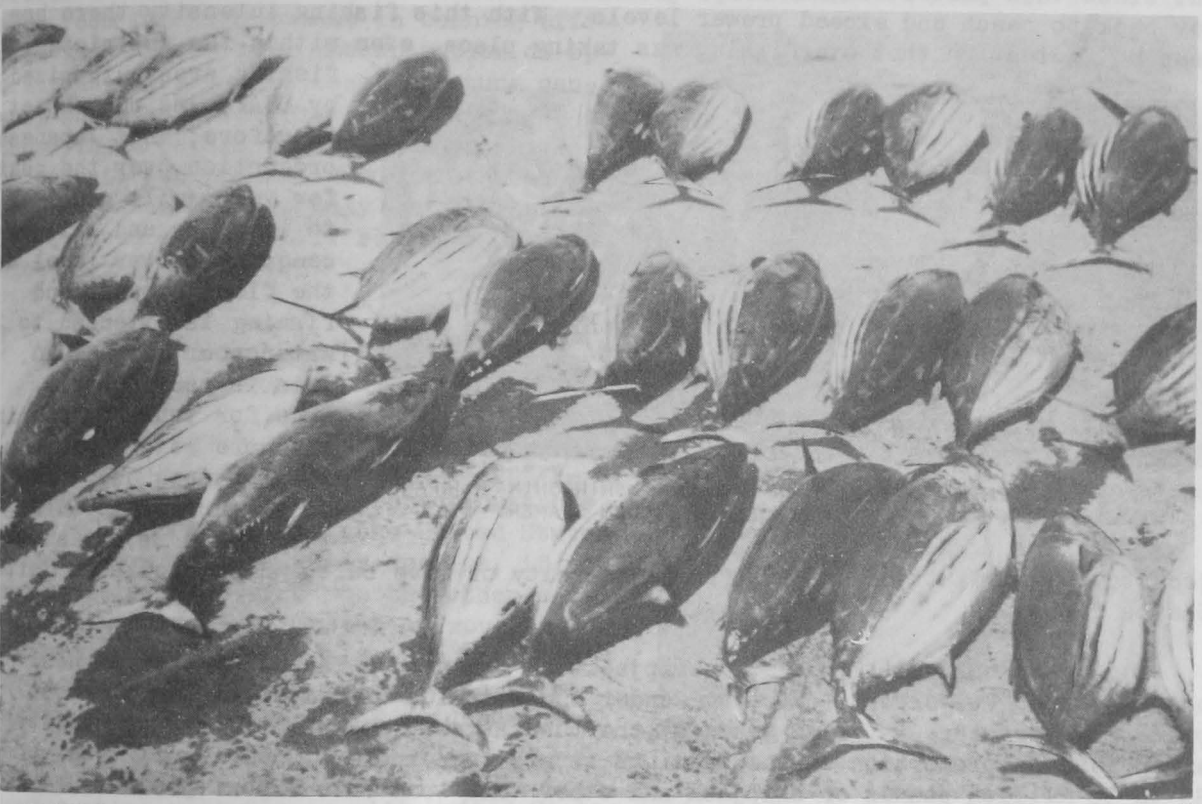

FIGURE 3 - SKIPJACK TUNA CAUGHT BY POLE AND LINE IN THE RYUKYU AREA UNLOADED ON THE SANDY BEACH OF ABURATSU, MIYAZAKI PREFECTURE, KYUSHU, JAPAN.

It is basic United States policy to encourage the Japanese to increase the export of goods to acquire more foreign exchange with which to pay for the supplies which they must import. This reduces their need for American financial assistance which comes from the pockets of the United States taxpayer. How does this balance against the present and probable future effect of these imports on the United States economy, particularly on those segments of the economy which are most directly affected by the imports? All of you are familiar with the present effects; perhaps a brief review of conditions in the Japanese export fisheries will help you in evaluating the probable future impact.

CONDITIONS IN THE JAPANESE EXPORT FISHERIES

FISHING FLEET: At present Japan has about 1,000 boats (of over 20 tons each) engaged in high-seas fishing for skipjack, albacore, and other tuna and tuna-like fish. The number would have been much greater by now except for the fact that in 1947 the Occupation Authorities restricted further construction of all steel boats and of wooden boats of over 100 gross metric tons to prevent overexpansion of the fleet within the limited fishing area. Japan has an almost unlimited shipyard capacity for fishing-boat construction. Japan has a relatively unlimited supply of fishermen to man an increased fishing fleet. It is, therefore, a practical certainty that the tuna fleet will be further increased as the fishing area open to it is extended. The only real limit to this increase at present is the size of the domestic and export markets.

PRESENT AND POTENTIAL PRODUCTION: Before World War II Japanese production of skipjack reached 200 to 300 million pounds annually, while production of other tuna reached about 125 million pounds. By 1945 this catch had dropped to a low level but since then production has been rapidly increasing and in 1950 was well on the way back to reach and exceed prewar levels. With this fishing intensity there has been no indication that overfishing was taking place, even within the restricted fishing area authorized by SCAP. We can expect, therefore, that Japanese production over the next few years will continue to increase and will exceed the prewar level as the fleet expands and fishing is extended to waters farther afield. This is particularly true for tuna fishing in offshore waters where the Japanese use a long-line gear developed by them which is not subject to the limitations arising from a scarcity of live bait, which handicaps United States fishermen.

FIGURE 4 - THE INTERIOR OF A TUNA CANNERY IN HIROSHIMA, JAPAN. IN THE RIGHT FOREGROUND CAN BE SEEN A VACUUM SEAMER.

Only the best quality of the skipjack and other tuna landed by the Japanese boats is used for export. However, under the stimulus of competition and export prices, better care is being taken of the tuna at sea, and with improving quality an increasing proportion of the landings is meeting export standards. A total of 35 to 50 million pounds of skipjack and other tuna went into export products in 1950. This is only about 10 percent of the present potential production. Thus, 1950 exports represented only a small proportion of the potential. This potential is expanding as Japanese fishermen extend their fisheries and improve their fish-handling techniques.

PRICE AND TARIFF LIMITATIONS: It is difficult to evaluate the effect of price changes and tariffs on Japanese exports. In the United States practically all of the catch of skipjack and other tuna is canned. When a decline in the price of canned fish forces the price of raw fish below a certain level, the boats in the United States tie up and the fishermen seek other activities. In Japan the chain of events differs markedly. First of all, only a small proportion of the catch usually goes into export products. Therefore, a 20 percent decrease in the price of fish for export does not mean a 20 percent decrease in the value of a boat's entire catch. Secondly, a Japanese tuna boat is licensed only to fish tuna. If the boat stops fishing tuna neither it nor its crew can engage in other fisheries, which already are crowded with their own licensed boats. If a boat ties up, its fishermen are idle and their families begin to go hungry. Because of these factors a fishing boat usually is laid up only after all expedients, such as private borrowing, government loans, and subsidies are exhausted. When a man has no other occupation or source of income, he must continue producing even though his wage or share declines. He takes the decrease out of his standard of living. Japan has to export to survive. Japan must find foreign markets, if necessary at the expense of her people's standard of living.

Many people have asked me what effect the 22½ percent increase in duty on canned tuna will have on the amount Japan would export to the United States in

51. I don't know the answer but I am willing to guess and speculate along with u. In my opinion, the tariff increase will cause a temporary drop in exports. wever, the packers will gradually adjust themselves to the change through lower ices to fishermen and more efficient cannery operation. In general, there is ch room for improvement in canning efficiency through further mechanization of operations. Japan has at least one tuna cannery which compares favorably with most of ose in the United States. Under pressure competition she will develop others. Before 1951 ends it is likely that the volume Japanese exports will return to, if not ceed, that for 1950.

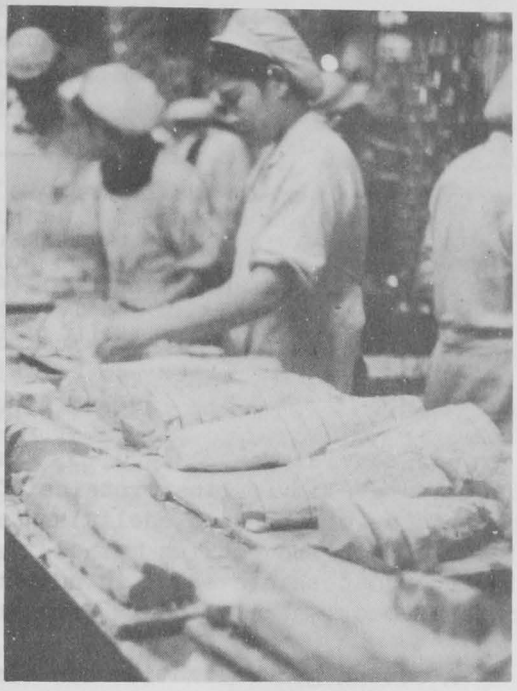

FIGURE 5 - CUTTING TABLE IN A TUNA CANNERY IN HIROSHIMA, JAPAN.

WHAT SHOULD BE U. S. FISHERY INDUSTRY POSITION TOWARDS IMPORTS?

In the face of this situation, what urse should the United States fishery dustry adopt? With no protection there very little doubt that the United States na fishery would greatly decline, if not actically disappear. On the other hand, ask for complete protection would be tempting to fly directly into the face basic United States policy, and remember that there is plenty of evidence that st people believe this policy is in the er-all national interest. To find a urse which will fit in with United States policy and win public support, it appears that the tuna industry must work out a position intermediate between complete protection and no protection.

I hope that the information which I have given you will be of assistance in oosing the wisest course.

U. S. TUNA PRODUCTION FOR 1950

DO YOU KNOW...

That the United States tuna landings (including bonito and yellowtail) in 1950 were at an all-time high. The total catch of tuna and tuna-like fish was 400,000,000 in 1950 as compared with 328,872,000 pounds in 1948.....

That the canned pack of tuna and tuna-like fish in 1950 totaled 9,100,000 standard cases, compared with 7,130,453 cases in 1949.