

March 18, 1977

Mr. Chairman,

It is almost impossible to find up-to-date information on how our fisheries utilize joint ventures, foreign investments, foreign ownership and the prevalence of up-front moneys. Most information is in the category of rumors, but we note that even the U. S. Government does not have the ability to determine the ownership of a large oil tanker hauling fuel to this country, which happened to run into problems.

We can only look at the implications of foreign ownership as it relates to our strictly domestic fishery enterprises - if there are any left.

In the State of Washington, we have the joint venture of the USSR with the Bellingham Cold Storage. According to testimony given in the Sept. 8, 1976 oversight hearing into joint ventures, the United States fisherman will deliver his catch of hake to the Soviet mothership for processing. Since we do not utilize this species, the hake would be another market for our fishermen.

There are also indications that United States fishermen and vessels may be utilized for the Alaska pollock fishery. If this product were later imported into the U. S., it could end up in competition with the U. S. domestic industry. We do utilize considerable amounts of pollock fish blocks in this country. In 1974 we imported some 94,000 metric tons from Japan alone, and also 23,800 metric tons from Korea. There is a lot of labor and revenue lost from processing pollock in foreign countries instead of right here in Alaska where the resource is located. There is also a lot of talk about a joint venture with Korea, using U. S. fishermen to supply them with Alaska pollock for processing aboard their mothership.

We are sure there must be some people in this room who know a lot more about this matter than our Study Group.

From information available, a foreign vessel could receive fish outside of twelve miles, if it were licensed to fish within our 200-mile zone. Now, if these pollock were caught within some of our bays and inlets, we do not visualize our fishermen towing the cod ends outside of twelve miles, to be picked up by the processing vessel. Also, there is a question of whose quota would be utilized - ours or the Koreans.

It is also pretty certain that this product would be processed by cheap foreign labor and then imported back into the United States in the form of fish blocks. The question is: COULD THEY BE ALLOWED TO COME INSIDE OF TWELVE OR MAYBE THREE MILES TO PICK UP THE PRODUCT AND PROCESS IT?

This could possibly lead to hindering the development of our domestic industry.

Foreign investment in U. S. companies is extensive, and the Japanese seem to be the most active in this field. However, Hanson Trust, Ltd., a British company, has a large interest in the menhaden fishery on our East Coast.

Japanese ownership of U. S. companies could lead to very severe problems for our strictly domestic fishery enterprises, especially if our domestic industry is expanded with the up-front money sponsored by the Japanese to get a product in return.

As soon as the Japanese have the capacity to supply their needs from a company they own outright, it is only logical that they would buy from themselves - maybe even at a premium price - rather than buy from a strictly U. S. domestic industry. This could lead to an alienation of the different segments of the industry and possibly for a push for tariff controls to protect the domestic industry.

We must remember that the free enterprise U. S. system requires a profit to exist, whereas the highly government-controlled fisheries of both the USSR and Japan could be subsidized to remove competition from our domestic fisheries - if it appeared to be in their best interests.

Respectfully submitted

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By Kenneth O. Olsen  
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# Pacific Pearl

AN Amfac COMPANY

Elmer Rasmuson  
Chairman  
North Pacific Fisheries Management Council  
Anchorage, Alaska

Dear Sir:


In reference to foreign bottomfish quotas and joint ventures of foreign and U.S. fisherman, we are opposed to any of the bottom fish landings to foreign vessels by U.S. fishermen and having that portion being applied to the U.S. quota.

Hypothetically this would allow the foreign fleets to increase their catch substantially without having to report that portion of the bottomfish delivered by joint U.S. and foreign ventures. This would make the U.S. bottomfish catch unrealistic in that the pounds caught and the pounds actually delivered by U.S. fishermen to U.S. processors would be totally different yet it would appear to be equal.

It is our hope that no decision be made on such a vast topic as this until all possibilities have been thoroughly discussed.

Sincerely Yours,

PACIFIC PEARL SEAFOODS, INC.

  
Charles L. Jensen  
Central Operations Manager

Member, Advisory Panel  
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cc: Jack Cotent  
Chairman, Advisory Panel