

*Murphy
testimony*

Updated performances 9/24/86
of Japanese commitment
of Industry-to-Industry
meeting (as of Aug.31 1986)

	Target amount (A)	Amount as of Aug.31 (B)	(B) (A)
Pollock JV	525,000mt	468,655mt	89.3%
Other than Pollock JV	57,500	31,204	54.3
Processed Pollock Product Purchase	40,000	9,419	23.5
U.S. harvest and Processed bottomfish Product other than Pollock purchase	20,000	16,281	81.4
Total	642,500	525,559	81.8

Surplus Available for TALFF

9/24/86

Species	D A P			J V P			Unalloc TALFF C	RES D	Potential Surplus E=A+B+C+D
	Projected	Needed	Excess	Projected	Needed	Excess			
	<u>*1/</u>	A		<u>*2/</u>	B				
P.Cod	133,394	38,464	94,930	50,830	50,830	0	244	5,953	101,127
Pollock	119,794	67,000	52,794	783,804	780,204	3,600	487	0	56,881
Turbot	5,414	1,600	3,814	5,000	200	4,800	5,329	4,950	18,893
Y.Sole	1,030	60	970	144,300	134,300	10,000	39	0	11,009
Arrowtooth Flounder	1,805	50	1,755	1,667	1,667	0	0	3,000	4,755
Other Flatfish	4,192	7,247	-3,055	98,850	60,000	38,850	0	5,000	40,795
Total	265,629	114,421	151,208	1,084,451	1,027,201	57,250	6,099	18,903	233,460

(Actual catch)

(72,706)*3/

(870,078)*4/

*1/ Estimation by NMFS (Pollock:estimation by Japan)

*2/ Estimation by Japan

*3/ Sep.10 1986 PacFIN

*4/ Best-Blend Joint Venture catch for period 1/1/86-8/23/86 (NMFS)

TESTIMONY OF THE ALL JAPAN SEAMEN'S UNION TO THE NORTH
PACIFIC FISHERY MANAGEMENT COUNCIL SEPTEMBER 25, 1986

Tadahiko Nakamura

Washington, Liaison Officer

I am most privileged to have this opportunity to deliver testimony on behalf of the All Japan Seamen's Union which represents 150,000 seamen of which 60,000 are fishermen working within the US EEZ. We have decided to submit our views at this particular time for two reasons: 1) In the past, all opinions, comments, and testimony presented to the Federal authorities, as well as to this Council, have been only those of the fishery industry and government negotiators. The voices of fishermen like us and the consumer public, whose interests are very often not the same as those of the industry and government officials, have not been heard. 2) The fishery issue has degenerated into the political and global arena where capital and politics from unrelated industries exert vast influence, overwhelming the interests of consumers and organizations directly involved in the fishery industry. Unwise skirmishes within this industry, domestically and internationally, will only benefit those capital and multinational giants.

1. Issue of Fairness

The United States occupies land that is 26 times as large as Japan and yet only has a population of 230 million. The food self-sufficiency rate of this nation is over 300 %

excluding food resources from the seas, compared to 33% for Japan, smaller than the state of California, and of which over 80 % is mountainous, unsuitable for food production or residential use. American pioneers moved West and purchased this great land of Alaska from Russia, establishing firmly their base of existence as recognized by traditional international law. The Japanese people moved eastward, seeking food resources throughout the North Pacific Ocean, finally finding unutilized bottom fish, international resources in the high seas, exploitable in accordance also with traditional international law. Since then Japan has worked and developed its own socio-economic infrastructure which has become an inalienable part of Japanese life , more so than what Alaska or Texas are to the United States of America in terms of a nation's nutritional assurance. The US EEZ has come directly against this long held concept in Japan, a seafaring nation.

2. Burden Imposed Upon Our Union Members

As a direct result of the imposition of the US EEZ and its aftermath, along with the same kind of policy adopted by the USSR, Japan had to reduce the number of fishing vessels operating in the North Pacific by about 1,150 during the 1977-1985 period, depriving over 20,000 members of our union of their life time jobs, and leaving over 100,000 people without means of sustaining their livelihood. Yet, this shock was not to be the last.

Year after year, our union has held its breath before the verdicts of this RC meeting which have gradually but surely depleted the hopes of our members. This year, 1986, an additional 240 ships must be decommissioned, leaving 5,500 more men out of jobs, with catastrophic socio-economic damage to a number of local communities whose welfare is tied to the fishing industry.

Unlike the US, our country and our way of life do not allow great mobility of people among different industries and companies. People normally choose certain type of job and company or location as a lifetime commitment and can never really seek alternatives. Actually, such commitments are not limited to one generation: for many they are hereditary, and they work hard to retain and improve their professional skills and to excel in them, finding their pride and meaning of life in them. To discontinue one's lifetime vocation therefore is equated to the loss of the meaning of life- a loss that often results in suicide.

3. Food Security

There is no major industrial nation today which has as low a food self-sufficiency rate as Japan. The extraordinary efforts of the Japanese people to improve their export-oriented economy and a habit of high rates of individual and national savings are a direct reflection of the fears caused by the lack of food and energy available in our own land and an unusual dependency on such supplies from other nations.

The result is rather pathetic, as evidenced in the current trade conflict between the US and Japan, the EC and Japan and even between Japan and other Asian nations. No nation is happy about the way Japan exports and saves foreign currency which Japan needs only for the importation of food and energy. The most legitimate way for Japan to rid itself of this kind of the export-oriented economy is to upgrade its food self-sufficiency rate, if not to the level of the US, at least to the level of the major European nations and do its best to mobilize technological advances to save energy as well as to develop alternative energy sources, such as solar, geothermal, wind and wave. Further increases of food and energy imports simply mean more Toyotas and VCRs in the United States depriving traditional jobs from American workers, the ultimate cause of the US-Japan conflict, which as unionists we can hardly tolerate.

Some Americans emphasize that the division of labor as such should ease even in food production and distribution and supplies from the US should be regarded safe and stable. Unfortunately, the US has been using the food trade as a political and diplomatic tool, placing embargoes on grain exports to the USSR or on soybeans to Japan, any time the US sees this to be advantageous politically.

As everyone admits, whaling has become an highly political issue in past ten years, and to aquire its political goals, the US has passed such domestic laws as

the Packwood-Magnuson amendment so that bottom fish, which is a staple for the Japanese people, can be used as hostages in the US EEZ. The catch of whales under the objection is a inalienable right of the Japanese people according to the international convention to which the US is a signatory. The presence of that kind of a domestic statutory is the best evidence, in Japanese eyes, that the US is willing to deprive the Japanese people of a staple item in their diet solely to accomplish a political objective.

Retention and a gradual increase in our own means to secure food for our people is the uppermost concern of our Union.

4 5. Politics of Fisheries and Fish Trade

Contrary to the widely held view in the US, there is no such thing as "Japan, Inc." Although tiny and homogeneous, Japan today is highly diversified. The relationship between management and unions, for instance, is not fiduciary but one of great rivalry. Many of the big Japanese enterprises are multinationalized and their interests diametrically oppose our interests. Just as American multinational corporations are now manufacturing auto parts and electronics in Asian nations as local corporations and

exporting their products back to the US thus increasing US trade deficit, so is the case in Japan. The world's largest selling McDonald's hamburger shops are not in the US but in Japan, yet their sales are not registered with the US government, so do not contribute to the US current account trade balance.

Contrary to the impression created by the servile and apologetic Japanese fisheries representatives and government negotiators, America bottom fish are not indispensable to the Japanese diet. In our own EEZ we have as much as four million tons of unutilized highly nutritious fish such as sardine and mackerel. They are fresher, more flavorful, and best of all, healthier, food. The business system and work customs we developed prior to your establishment of the EEZ, where we invested tremendous amount of effort, technology and capital in the North Pacific, still dominates the Japanese fishing industry's policy which acts against the interests the general public, preventing them from being able to obtain this preferable and less costly food. Our union has also invested our skill and professionalism into that area, and the current generation naturally wishes to continue to work there. The major fish Japan catches in the area, pollock, is the least desirable eating fish, even during the immediate post-war period when millions of people were literally starving to death. It was only our technology which enable us to utilize that fish, in the form of surimi,

to add value as an acceptable food, and the subsequent efforts by the industry to develop a market for it, that this particular fish has some economic value. Yet, Japanese technology never ceases to progress. In past three years we have completed a method to produce perfect surimi from red fish such as sardine. The products are more tasty than those from pollock. We have today, over three million tons of unutilized sardine right off the coast of Japanese islands.

The Japanese consumers are increasingly becoming aware of this, and some Japanese multinational giants are waiting to begin large-scale surimi production from this inexpensive resource as soon as the Japanese fishery industry is forced out of the US EEZ, public sentiment becomes more anti-American over the issue, and the Japanese political climate becomes favorable for the new venture. Toyota is now entering the housing industry and Mitsubishi is opening a fried chicken chain in New York City just as Exxon and GM are showing interest in biotechnology and large scale corporate farming in the US. The worst case scenario is that these multinational traders will sell cheap surimi products in the US market in a competition with Alaskan pollock products made by American and Japanese fishermen and processors. There will be no way that American fishermen and processors can compete with these multinational monsters alone.

On the political front, as you may well know, for the very first time in the post-war history of Japan, the Japanese Diet is now considering a bill to retaliate against American fish imports as the US closes its EEZ to Japanese vessels.

This bill is unusual in that it was introduced on nonpartisan basis, and has been held back only by the wisdom of the Liberal Democratic Party, and Prime Minister Nakasone himself so as not to unnecessarily arouse bad feelings between the two nations. Our Union has, to date, supported the wisdom of the government. However, our rank and file members cannot afford to lose another 5000 jobs and is now strongly demanding that the Union immediately begin pressing for the passage of the bill, in light of further reductions in the catch limit this year.

The general public has also been aroused. They have already been forced to sacrifice one 700-year-old traditional industry, namely whaling, so that fishery activities in your waters could continue. They have sacrificed their international privileges to catch salmon and trout on the high seas, believing US promises of continued fishing activities in your waters. They now realized that Japanese fishing activities were only used as hostages to kill their whaling and high seas fishing privileges. They are now supporting the passage of the retaliatory law. They no longer have anything to lose.

The latest study by the US Congress, as well those by private institutes, show that, contrary to public belief, the world food supply to the year 2010 will be excessive irrespective of world population expansion. This analysis is firmly supported by the US Department of Agriculture.

We are in a industry where the consumers maintain and will maintain over to the next century the ultimate say. We are unfortunately at their mercy.

3. Mutual Prosperity

The current dire projections do not have to become reality, if we ever exercise prudence and wisdom. The resources in the North Pacific are still there, the world largest market for these resources is Japan and the growing American market is still in the hands of American fishermen and processors. Our union members are working in your waters and our fishery companies are willing to share their technologies and know-how.

The monster is the market force unharnessed by the administration of President Reagan which is ruthless and whose only consideration being profit. we must face the fact that both American and Japanese multinationals do not have loyalty to any nation, but only to profit. Competition is no longer aligned with a nation state. Our union's interests and the food producers interests more often than not collide with the interests of Japanese multinationals such as Toyota, Sony and other major companies in the manufacturing field. On the other hand we find many common interests with American food producers and even consumers.

There is an old proverb in Japan and China, called the "Fisherman's Windfall". A waterbird pecked a giant clam, which caught the bird's beak between its shells. The clam refused to release the bird's beak. A lazy fisherman was passing by and caught both the bird and clam with no effort. This is something like one of Aesop's fables, where two dogs are fighting over a bone and a third dog runs off with it. Our current quarrel over the North Pacific, between American and Japanese fishermen, remind us of this old proverbs.

In our judgement, there is no other way but amicable collaboration between American and Japanese fishermen on the basis of mutual trust, which could save business for us within a rather undesirable market situation, not to mention in the light of potential assault by multinational giants with no national loyalty, but only greed for profit as a leading motivation.

To show how we are already involved in the complex battle, I have attached a copy of a letter we sent to Secretary of Commerce Baldrige, US Trade Representative Yeutter, and congressional leaders on the rice issue, where we are in direct opposition to our own government as well as the most powerful pressure groups in Japan

I thank you for your time and attention and hope that the fishermen of both our countries can work together for a more prosperous life for all of us.

JAU All Japan Seamen's Union

Affiliated with: —
International Transportworkers' Federation
DOMEL (Japanese Confederation of Labour)

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September 18, 1986

The Honorable Malcolm Baldrige
U.S. Secretary of Commerce
Herbert Hoover Building, #5854
14th Street & Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Mr. Baldrige,

Re: California Rice

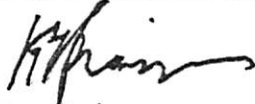
As you may be aware, Japanese seafarers serving aboard ships engaged in international trades, have been free to purchase in foreign ports anything including rice produced in California or in any country and to bring it home as a souvenir or for his personal consumption. This long established privilege of Japanese seafarers was cancelled recently by the Japanese Government unilaterally and without prior warning.

These circumstances are stated in my view that appeared on 24 Sept. 1986 in the Asahi Shimbun (in Japanese) and also in the Asahi Evening News in English. (a copy is attached)

In this connection, it would be highly appreciated if you could provide us and the competent authority of the Japanese Government with your views and comments which will undoubtedly be useful for promotion of free trade as well as for encouraging the Government to reconsider this unreasonable measure which simply deprives seamen of a minimal entitlement.

With my best regards, I am

Yours Sincerely,

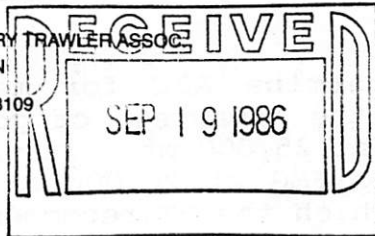


H. Taira
Director,
Ocean-Going Department

Please respond to: 2004 17th Street, N.W.
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September 18, 1986

Mr. James O. Campbell
Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Re: Proposed 1987 Sablefish ABC and FMG, Geographic Allocation
of Sablefish FMG

Dear Jim:

The Alaska Factory Trawler Association has reviewed the draft report of the Gulf of Alaska Groundfish Planning Team (PT) that was recently made available to the Council and members of the public. While we feel that the PT has done a fine job in many respects, AFTA has substantial concerns with some aspects of the document, and I am writing to address one that causes us particular concern -- the PT's recommendation for sablefish management in the Gulf.

Specifically, we believe that the PT's establishing a sablefish Acceptable Biological Catch (ABC) at 25,000 mt and recommendation of an Fishing Mortality Guideline (FMG) of 20,000 metric tons underestimates the commercial potential of this fishery substantially and thereby conflicts with the Council's new (proposed) principal management goal of maximizing economic benefits from Gulf fisheries. On the other hand, we support strongly the PT's recommendation for geographic distribution of sablefish FMG according to the proportion of exploitable biomass in each regulatory area. Our rationale for both of these positions is set forth in the following paragraphs.

We note that the PT is already following the proposed Amendment 15 framework process, and we will make our comments assuming the use of that procedure although we have objected to that procedure earlier. According to that process, an ABC will

be established using biological data and an "exploitation rate" the derivation of which is not explained in the Amendment 15 package or in the PT report. Then ABC may be adjusted based on socioeconomic or other concerns to arrive at an FMG which is the total fish mortality over the course of the season that the Council believes is consistent with the goals of the Fisheries Conservation and Management Act.

While it was unable to determine ABC for many of the fisheries in the Gulf, the PT had the advantage of good data on the sablefish fishery, and set ABC at 25,000 mt. It then reduced that figure by 5,000 mt in setting FMG at 20,000 mt. We note that this is the only instance in which the PT recommended an FMG below ABC for any Gulf groundfish fishery.

Two reasons are given for this reduction: uncertainty of the biological assessments and the fact that harvest levels averaging 25,000 mt had, in the past, coincided with "a marked reduction" in sablefish stocks in the Gulf. Our reading of the PT report and other information available to us suggests very strongly that this reduction is not justified and, in fact, ABC itself may be set too low at the proposed 25,000 mt level. Our major reasons for this position are as follows:

(1) Past harvest of sablefish by foreign fleets was higher than 25,000 mt (and probably much higher). The heavy harvest of sablefish occurred from 1970 to 1976 when the average reported catch was 28,448 mt per year. In fact, this fishing was done almost entirely by foreign fleets, and we believe that the actual catch of sablefish substantially exceeded the reported rate. This contention is supported by NMFS experience when US observers were placed on foreign vessels. Those vessels with observers consistently reported higher catches than similar vessels in the vicinity without observers. This strongly suggests that the actual catch by foreign fleets was far in excess of the reported catch.

(2) The contention that the 1970's fishery was at the current MSY biomass of 535,000 mt and that this biomass was adversely impacted by a harvest of 25,000 mt is not supported by hard data. There are no surveys or other relatively direct measures of the 1970's sablefish biomass. The notion that biomass was high is an extrapolation from the higher than current harvest rates. These rates can better be explained by the presence in the Gulf of large, aggressive and effective foreign fleets than by a biomass at the current level. In all probability, the sablefish biomass in the early 1970's was below, and perhaps well below, that of today.

(3) The contention that the sablefish stock was reduced by

high early 1970's harvest levels is not supported by hard data. The decline in sablefish harvests after 1976 came about through several factors and it would be only speculation to suggest that this resulted from high harvest levels. Other likely explanation is that it resulted wholly or in part from withdrawal of foreign fleets from the fishery based on their anticipation of regulation under the Magnuson Act or from targeting on other species.

(4) Even if the sablefish stocks were reduced by early 1970's harvest levels, this reduction of density in the fishery led to a series of strong year classes which may account for the strength of the stocks today. According the PT report, the current sablefish stocks are high due to a series of strong year classes beginning in 1977 and extending through 1981. We seriously question whether these strong year classes would have materialized if an optimal exploitation of the resource (i.e. greater than 25,000 mt per year) had not been occurring during the 1970's.

(4) The data available to the PT for sablefish is no more uncertain than that for fisheries for which FMG was set equal to ABC and considerably more certain than several for which FMG was set equal to ABC. In fact the sablefish data is unusually good. All four sources cited in the PT report -- year class data, CPUE, trawl survey data, and comment by fishermen -- converge to indicate that the sablefish stocks are in good condition and increasing. By contrast, other fisheries where stocks are either depressed or not increasing, FMG was set at ABC. With respect to some species, the data was inadequate even to estimate ABC or the current biomass, and in some cases where biomass was estimated, the confidence intervals around point estimates were very broad -- 50 to 100 percent. Unfortunately the PT report does not state a confidence interval for the sablefish biomass projection.

(6) ABC was computed from the current biomass estimate using an exploitation rate that is far too low given the nature of the species and the condition of the stocks. At their meetings, the PT indicated that ABC was derived in part by using a sablefish exploitation rate of 5%; although this was not mentioned in the draft plan received by AFTA. The use of the exploitation rate is required by the ABC definition in the Amendment 15 framework, but the derivation of the term is not defined (for example, is it an historic rate? If so, over what time frame? Is it an average, or a moving average, etc?) The origin of the 5% rate for sablefish is unclear; however, it is far less than the rates applied to other species with stocks which are not as strong as sablefish. This is indicated by the following:

<u>Species</u>	<u>Ex.Rate</u>	<u>Stock Condition</u>	<u>Trend</u>
Sablefish	5%	Good	Increasing
Pollock	14%	Depressed	Increasing
Flatfish	24-41%	Good	Stable
Pac.Cod	21%	Good	Stable
Thryyhds	5%	Unknown	Declining

AFTA believes strongly that the application of a 5% exploitation rate is far too low for sablefish and that an ABC well in excess of 5% of MSY biomass is legitimate. We recommend application of a target exploitation rate of 10% to be achieved in 1.25% increments by 1990 (1987 = 6.25%, 1988 = 7.5%, etc.) provided that annual assessment of the stocks (and the market impact) by the Council indicates that there is no adverse effect from the annual increases. We believe that implementation of this proposal will deliver substantial benefits to the industry while posing absolutely no danger to the fishery whatsoever. We find support for this recommendation in the PT report itself which states, "current catch levels have relatively insignificant short term effect on the biomass."

(7) Given an exploitation rate of 5% and a current estimate of sablefish biomass at the MSY biomass of 535,000 mt, the sablefish ABC should be 26,750 mt, not the recommended 25,000 mt.

I would like to make two additional points on behalf of AFTA. First, in the past the Council has expressed some reluctance to increase the permissible sablefish catch due to concerns that the market prices would be adversely impacted. In this context we note that sablefish prices have been steadily rising notwithstanding increasing catches. This indicates a strong and increasing demand that will not result in price declines if catches continue to increase.

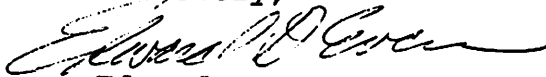
AFTA members have indicated that they are confident that they will continue to receive good prices for sablefish even with very substantially increased catches. Even in the unlikely event of price stabilization or the very unlikely event of price decline, overall industry revenues would be strengthened unless sablefish prices proved to be wildly elastic beyond the best judgement of any industry participant.

Second, we strongly support the PT's recommendation that the allocation of sablefish among areas be done according to the relative geographic location of the exploitable biomass, i.e. the biomass between 200 and 1000 meters of depth. While there was some concern last year that this would be basing allocation on

small, unrecruited fish in the 200 to 400 meter range, new data available to the PT indicates clearly that the composition of the biomass in this depth range is virtually identical to that in the deeper waters. (See RAD Sablefish Section, Figure 6 - Length Frequency Distribution.) Thus the Council action for 1986, to shift the populations to the Eastern Area, does not reflect the true population distribution, and should be corrected to provide 14% of the TAC to the Western Area, 61% to the Central Area, and 25% to the Eastern Area. To ignore this new information and instead rely on the older allocation proportions would result in an excessive allocation to the Eastern and Western areas. The over allocation to the Eastern area so extreme that it could very well constitute overfishing and therefore represent a violation of the cardinal national standard established by the Magnuson Act.

I appreciate the opportunity to bring the views of AFTA to your attention. We urge you strongly to consider our comments carefully and to encourage the Council to act to increase the allowable catch of sablefish and to apportion the catch according to the best biological information available. If you have any questions concerning our comments, I would be happy to discuss them.

Sincerely,



Edward D. Evans
Executive Director

CC: Jim Branson
Jim Balsiger