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THE (JAPANESE) FISHING INDUSTRY

The fishing industry -- held by many writers on economic subjects to be a major key to the food problem in present-day Japan -- is an object of searching scrutiny in Japanese magazines. There is, accordingly, great concern regarding deliveries of fish to urban districts, and much discussion regarding retention of price control. There are expressions of relief at the basic plenty of the increased hauls which have resulted from Supreme Commander for the Allied Powers' extension of the fishing grounds, and there is hope that further increases will bring renewed prosperity to the industry.

Financial writers, on the whole are optimistic over the economic future of the fishing industry. It is agreed that present high prices on wartime products assure profits in fishery operation, but those who take the long view caution against lassitude and counsel application of scientific methods to ensure a prosperous future. Shortages of materials are conceded to exist (particularly of hempen rope -- which is unobtainable at present), but some writers believe that sufficient raw cotton is at hand to permit replacement of cotton netting. There is much praise for the "link system" of oil distribution, and the feeling is expressed that American oil imports will provide for the future.

MARINE PRODUCTION AND DISTRIBUTION

An EKONOMISUTO staff article points out that, though the increase in the rice ration averted the food crisis, "the Japanese are still short on calories and need supplementary foods to make up this deficiency." However, "Japan . . . excels in fishing. It is, therefore, more rational to expect emphasis on the increase of marine products than on that of other food." There is some opinion that the available fish supply is not fully utilized because distribution is unsatisfactory, and "some say that the fault lies with the official price system." As a solution, others urge "establishment of a new ministry in this connection."

Motoshige Okako (Director, Tokyo Fish Control Co., Ltd.), takes a favorable viewpoint in JITSUGYO NO NIPPON. He does not favor abolishing official control of prices, and thinks that with the enlargement of the fishing grounds "and with increase in the number of fishing-boats the industry will be among the first to return to normal -- which will make official control unnecessary. This should be possible within a year." Okako admits that "unofficial transactions among officers of distributing agencies" cause occasional failures in the distribution system, and takes up the arguments for and against price control.

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"Abolitionists say that as long as official price control exists, fish will gravitate to localities adjacent to fishing grounds to save the price of transportation, or to agricultural districts for barter; but if ceilings are abolished, the supply will flow into the cities where satisfactory receiving agencies exist." Opposing this argument, Okako holds that because fish is a staple food, it would be improper to abolish price control until production reaches a higher level. He also is certain that abolition would result in a tremendous rise in prices. Giving figures for the quantity of fish available for the Tokyo area over a period of months -- ranging from a low of 176 metric tons daily to a high of 278 metric tons -- Okako especially lauds the production of Hokkaido. -- Further information on the fishing industry in Hokkaido is to be found in a TOYO KEIZAI SHIMPO survey, which states that "the aquatic industry of Hokkaido is one of the world's largest, embracing abundant resources. We may expect this industry to make rapid strides from primitive methods of coastal fishing to a modern type of pelagic fishing, and also to improved methods of modern canning."

Full utilization of natural resources is urged by Y. Nakano, writing in DAIAMONDO. Pointing out that SCAP action has extended the fishing areas, allowed construction of fishing vessels, and facilitated oil distribution by the link system, Nakano says, "What can restore prosperity to Japan is neither Socialism nor Communism -- it is science. The ocean and the seas contain inexhaustible treasures; in order to utilize them fully we must be guided by scientific methods of fishing." This writer proposes the cultivation of "sea-farms," in which, "as we fertilize the rice fields, we should fertilize the seaweeds which are rich in iodine and serve as food both for man and fish. Eels are bred quite successfully in Japan; other fish should be treated similarly. Let us close the entrance to Tokyo or Ise Bay with netting which will permit fish to enter but not to leave; and use the bay as a 'farmyard' for the breeding and incubation of fish, and for the planting and cultivation of edible seaweeds."

NECESSARY MATERIALS

Oil and netting, primary necessities for fisheries, are treated by Ken Nakamura, of the Department of Agriculture and Forestry, in SHOKO. Fuel oil, once a major article of import (supplying 90 percent of the demand), is becoming increasingly critical in supply. In 1936, Nakamura writes, "the Government made plans to manufacture artificial fuel oil in order to supply the demand independently. The demand was accordingly controlled, and imported oil -- which had hitherto been tax-free was taxed to maintain a balance with the expensive synthetic product." However, as this heavy imported oil previously had been used by "50-70 percent of the fishermen -- most of these small scale operators with vessels of less than 20 tons" -- this rise in cost was violently opposed, and the Government "granted subsidies and certain other measures" to equalize matters. Nakamura gives figures for the period 1940-1944 which show a steadily decreasing ratio between supply and demand. During these years the supply of light oil decreased from 93 percent of demand to 10.8 percent, and that of heavy oil from 53.8 percent to 5.3 percent. After the termination of the war, American imports "brought a resulting increase in light oil to 18 percent of demand, and in heavy oil to 6.9 percent of demand." Stating that Japanese production of fuel oil cannot supply more than 10 percent of the necessary quantity, he asks for continued support from the United States in permitting importation of the balance.

The same writer gives an outline of the procedure by which oil is allotted to consumers. "The allotment (of oil) is decided monthly by consultation; then . . . the Agricultural Department informs the local government and the Oil Control Company of its extent. The local government decides the detailed breakdown for the various kinds of fisheries, and distributes the fuel to the fishermen through local Fishery Associations by means of the 'link system.' For ocean fisheries, oil is allotted en bloc to the Ocean Fishery Association, and distributed by this agency."

Cotton and hemp comprise the bulk of nets currently in use, the normal pre-war quantity of the demand "being some 18,500 tons of cotton netting and 219,000 sacks of Manila hemp for Japan proper. Since 1938 these stocks have been controlled, and gradually have been reduced toward the vanishing point." Nakamura sets the quantity of cotton needed for nets at about twice that to be supplied; and says "the present usable nets of Manila hemp total 6,300 tons as against 39,000 tons needed." In these, as in related supply needs (silk, gut, dyes, etc.) the reiterated opinion is one of thanks for "the Allies' good will" and hope for continued support.

FURTHER OPINION

Considerable optimism is felt by Saburo Mitsuohori in regard to the present and future of Japanese fisheries. In a NORIN JIHO article, he cites the gradual extension of the permitted fishing areas, and holds out hope for eventual fishing "in the northern ocean, with the enlargement of the area for bottom fishing in the Yellow Sea and the East China Sea." He describes the whaling expedition to antarctic waters -- products of which should reach "40,000 tons of meat, hide, and oil" -- and stresses the spiritual effects of this success on the Japanese mind. Further optimism is expressed regarding fuel oil supply, about which (by virtue of permitted imports) he feels "there need be no fear in the future." In the same vein (and in contrast to Ken Nakamura, quoted above), the allocation of 80,000 bales of imported cotton for use in manufacturing nets "is thought to be sufficient." Rope (hemp) is another and more difficult problem. As the shortage of hemp is universal, "there is no way other than to rely on the dwindling stock on hand and on substitutes." As to fishing boats, "Japan had 350,000 boats of a total tonnage of 1,100,000 before the war. At present she has 320,000 boats with a tonnage of 800,000, and the Government has established a plan to build 337,000 tons of fishing craft."

Estimating that fishery products will increase in the coming year, Mitsuohori admits the difficulty of proper collection of coastal fishing catches, and is a supporter of continued Government control of fishery products -- "in order to secure the greatest possible supply for the consumers."

THE ADVANCE OF CAPITAL INTO COASTAL FISHERY

Seizo Okamoto, a lecturer at Nippon University, takes up the question of the advance of capital into coastal fishing and questions its value as an aid to increased production. Writing in ASAHI HYORON, he concludes that -- because (1) the present capital advance does not improve the old management method by local organizations, nor bring development in methods of production, and (2) such capital is invested only for immediate profit to non-local management, and makes for exploitation of the fishing villages -- advance of capital is reactionary and undesirable.

In order to make his point, this writer presents a number of statistical tables regarding the changing percentages in (a) drift-net fishing, (b) hauling-net fishing, (c) drag-net fishing, (d) angling for tuna and bonito, and (e) all other small-scale methods, for the period 1938-1945. "We can see from these tables that (c) and (d) have steadily declined, that (a) has kept a comparatively high position, that (b) has increased remarkably; and that (e) is responsible for about 50 percent of total production. The most important significance of the advance of capital may be seen in small-scale fishing (e), for it means the dissolution of the present system . . . and a changing of quality." Okamoto concludes that because "the improvement of quality and quantity has made great progress (under co-operative management) toward full utilization of the fishing grounds, the synthesis of methods of utilization and control by mutual relationship is necessary, and mass-management by coastal fishermen is the most suitable method for the control of coastal fisheries."

Okamoto lauds the pre-war "Fishery Co-operative Union," -- a system which aimed at the development of the fisheries, the carrying out of undertakings for the improvement of life in the fishing villages, and the furthering of the bonds of mutual connection and cooperation (between fishermen)" -- and calls it "a most progressive union, with the motto, 'Fishing can prosper only by cooperation.'"

INDIVIDUAL ENTERPRISES

Under the title, "Competition in the Fishing Industry," a TOYO KEIZAI SHIMPO staff writer surveys certain fishing companies, and concludes that it is somewhat premature to take too optimistic a view of their future. As other enterprises, the fishing industry is confronted with the issue of the cancellation of war indemnities. In this respect, "Nippon Aquatic Products is the most favored, as this company can cover such losses out of funds at hand. Kyokuyo is also only slightly affected, and also can make up the losses out of revaluation of stocks on hand. Consequently they have applied for exemption from the Special Accounts Corporation. War, however, has dealt a heavy blow to Nichiro. This company lost its principal properties in the north, and has tided over the crisis only by capital reduction."

Profits are increasing rapidly, says this writer, but "this increase in profit is due to the soaring prices of maritime products and not to any increase in production. This last, however, has been greatly improved by SCAP's extension of the fishing grounds." War damages have been a great handicap to shipbuilding. The Kyokuyo and Hokoku Companies plan to increase their capital to build new ships, while Nichiro "has succeeded in raising funds from the Industrial Bank of Japan for this purpose." Nippon Aquatic, having "the least damage, plans to repair existing ships rather than to build extensively." All of these fishing companies "are making severe competition in such areas as Hokkaido, Kinkazan, the Bonins, Kyushu, the Boko Islands, and the East China Sea. Business is promising and appears to presage a great future if long and steady efforts are made to surmount present difficulties."

A more detailed consideration of representative fishing firms appears in a DAIAMONDO staff piece. Referring to Nichiro's (Russo-Japan Fishing Co.) loss of fishing areas in the north, this writer estimates that the cost to Nichiro is 170,000,000 yen or 30 percent of the total assets. Though in ordinary times this would call for a great reduction in capital, such action may not be necessary in view of the high prices of commodities. As this is an old, established

firm, a considerable number of establishments and materials remain in the interior. The book value of these assets "is low, but may amount to some 50,000,000 yen on reappraisal. The forte of this firm, however, is long experience and technical skill, which it will devote to coastal fishing until extension of fishing is permitted in the north seas."

As to present plans, "there are four fishing grounds for Nichiro, one ground -- for crab fishing, sardines and other fish -- in the area centering around the volcanic bay of Hokkaido; the second is the western ground based on Shimonoseki, Kyushu; and the third and fourth are Kuri-hama and Ishino-maki, where the tuna and bonito are found. On Kuri, the firm plans to use 10 trollers of 330 tons displacement, two tugs of 75 tons, and 20 netting craft. Further plans include additional building of vessels, funds for which are to be borrowed."

Hoyo Suisan (Hoyo Aquatic Products Co.) is a new firm established in February 1946 and originally capitalized at 190,000 yen. Capital stock in the amount of 3,000,000 yen was issued later to finance the purchase of the five vessels of the Japan Light Metals Co., used as ore transports during the war. "Profitable operation of these ships has caused formation of a new building program calling for 12 netting ships with a total displacement of 1,380 tons."

SOURCES

(Magazines, Circulation and Authors*)

ASAHI HYORON, 50,000, Seizo Okamoto; DAIAMONDO, 90,000, Y. Nakano, one staff article; EKONOMISUTO, 35,000, staff article; JITSUGYO NO NIPPON, 50,000, Motoshige Okako, NORIN JIHO, 10,000, Saburo Mitsuohori; SHOKO, 5,000, Ken Nakamura; TOYO KEIZAI SHIMPO, 25,000, three staff articles.

* Where available.