

FISHING BOATS SUBMIT BRIEF U. S. CONGRESS

Statement of Position of American Owners of Vessels Shipping From Prince Rupert

The Fishing Vessel Owners' Association of Seattle submitted a brief to the committee of ways and means of the house of representatives at Washington recently in connection with their request that conditions remain as at present. The brief follows:

The Fishing Vessel Owners' Association, comprising about 90 per cent of the northwestern American halibut fleet, respectfully invite your attention to a proposed change in the present tariff law which, if adopted, will seriously cripple the halibut industry, which is very valuable to Washington state and Alaska, and the means by which we make our livelihood, and in which we have over one and one-half million dollars invested.

We refer to a proposal by the Commercial Club of Ketchikan, Alaska, the effect of which would be to require fish taken from the waters of the north Pacific ocean by American fishermen in American bottoms and consigned to eastern American markets to be shipped to such markets over all American routes, or in bond from an American port. This end would be accomplished by placing a duty on all American-caught fish marketed at a Canadian port. The purpose of this proposal is to prevent the sale of American halibut at Prince Rupert, British Columbia, and to compel the sale of such fish in Ketchikan, Alaska. This would be impractical, and would be ruinous to the halibut industry as we will attempt to show.

During the past year, which is an average one, our American halibut was landed in the various localities according to the following figures, which are taken from the Bureau of Fisheries, Statistical Bulletin No. 810:

Alaska	9,623,700
Prince Rupert	21,177,169
Seattle	13,734,395

The largest portion of fish landed in Alaska was landed in Ketchikan. Exact figures are not available at present.

The larger portion of fish landed in Prince Rupert and Ketchikan comes from the banks in the Gulf of Alaska, and to the westward of Kodiak Island, some 700 miles from Ketchikan. It requires four days for an average halibut schooner to cover the distance, and in rough weather it sometimes requires twice this time. Ketchikan is located on an island in the southeastern part of Alaska, and Prince Rupert is located 90 miles away in northwestern British Columbia. The two towns are separated by the rough waters of Dixon Entrance. Ketchikan, because of its location on an island, must ship all fish out by steamer. Prince Rupert, which is the terminus of the Canadian National Railway, ships its fish by rail to the distribution centres in the eastern United States.

At the present time the only established transportation facilities between Ketchikan and Prince Rupert consist of service supplied by C.P.R. vessels which make the trip between the two cities about once a week, and a small motor ship which runs as traffic permits. This service is entirely inadequate, which fact is admitted by the proponents of this tariff change. They propose, however, to provide adequate facilities fol-

lowing the enactment of the desired law.

Is it just to the fishermen and fair to the great industry to assume that the expenditure of millions of dollars will follow the enactment of the law? An assumption such as this is unfair and can not survive an investigation into the facts. Ketchikan and Prince Rupert are separated by 40 miles of notoriously rough and dangerous water. About 27 miles of this course—across Dixon Entrance—is extremely dangerous during frequent storms, and no vessel except one fit for any sea could be employed. Many times the passenger steamers which operate between Alaska and Washington are compelled to wait for storms to abate before crossing. There could be no such thing as ferry service as proposed. A moment's calculation will demonstrate that the additional discharge of halibut at Ketchikan which this proposed law seeks to compel would not be sufficient cargo for the character of vessel, to wit, ocean-going steamers, which would have to be employed in any service between Ketchikan and Prince Rupert.

Before we can reasonably expect the expenditure of large sums of money in an enterprise we must be able to demonstrate to the investor the safety of his investment and reasonable prospects of profits on the investment. Both elements are wanting in any transportation enterprise which would connect Ketchikan with the fresh-fish markets of the east.

In the first place, nothing but ocean-going steamers could be employed in any service between Ketchikan and Prince Rupert due to the character of the water to be crossed. The service would have to be practically a daily service as delays would necessarily exclude the product from fresh-fish markets of the east. If the entire amount of halibut discharged at Prince Rupert were diverted to Ketchikan it would not warrant the tremendous expenditure necessary to install proper service. Every week there are days when only one or two boats come in to port bringing possibly 20,000 pounds each. Would it be practical to send a large steamer to Prince Rupert with only 40,000 pounds of fish? How could a transportation service pay under such conditions? If Ketchikan were able to handle our catches we would gladly market them there. The objections to Ketchikan as a fresh-fish market are geographical and we believe them insurmountable.

Let us assume, for the moment, that a ferry service such as has been suggested is feasible. Who is going to bear the burden of its cost? Certainly no one thinks that fish can be marketed as cheaply from Ketchikan as from Prince Rupert. The consumer is paying a maximum price for halibut now and can not be expected to pay more. The housewife, rather than pay the added price, would turn to some other food. The merchant would not assume the cost and, as a result, the producer bears the burden. He pays for the elaborate and expensive transportation system by receiving reduced prices.

Confining our supposition that the ferry scheme is possible: Centralizing the sale of fish in one port would destroy the present competitive market for halibut. Buyers would be in a position to dictate prices and the halibut fisherman would be compelled to accept whatever figure was offered. In rare cases a boat owner could take his fish to Seattle, but the distance practically removes this as a possibility. It requires an average halibut vessel a little less than four days to traverse the 650 miles between the two ports. The fish would arrive in much poorer condition and, as a result, the

fisherman would receive less for it. We have experienced the results of centralizing the sale of fish in one port when Seattle, in 1915, received the bulk of halibut caught. The dealers, realizing the hold they had upon the situation, forced the price down for many months until finally stopped by the United States district attorney.

If the proposed idea were feasible, and if the fish were shipped by this plan, the product would be much inferior to the product shipped according to present facilities. It is common knowledge that every time a fresh fish is handled, its quality is reduced. Under the proposed plan, fish would be handled two additional times. When the schooner arrives at Ketchikan, the fish would be unloaded into a fish house where it would be iced and boxed. Then it would be removed from the fish house into the hold of a refrigerated ferry steamer, during which operation the fish would be exposed to warm air. The steamer would then leave for Prince Rupert, where the fish would again be exposed to warm air during the operation of transferring the boxes from ship to refrigerator car. The fish could not stand the increased handling. Under the present system the vessels must remain on the banks as long as possible in order to catch a sufficient quantity of fish, to make operations pay. If their catches were subjected to the additional handling, the boats could not remain on the banks as long as they do at present. In order to make up for the deterioration through increased handling they would have to bring the fish to port in a fresher condition. Any reduction in the number of days spent on the banks would decrease their profit to such an extent that it would be unprofitable for them to operate.

The proposed scheme, if carried through, would be ruinous to the fleet of vessels operating out of Seattle. At present there are about 125 small vessels operating out of this port. Because of the scarcity of fish on the close-in banks, their catches are small; and in order to make operations pay, their fish must receive a comparatively high price. This plan in operation would force some of the boats operating on northern banks to land their catches in Seattle. Only such vessels as were able to catch a full trip in three or four days and had sufficient speed, could do so. Instead of coming via Ketchikan they would make the perilous seven-day journey across the Gulf of Alaska. The manner in which these large vessels from the northern banks affect the Seattle prices is given by the following illustration:

On October 12, 1928, five local Seattle vessels sold 32,000 lbs. of halibut for prices ranging from 19 1/4 to 25 cents for medium halibut or halibut from 10 to 80 pounds and from 13 to 16 cents for chicken and large halibut or halibut under 10 and over 80 pounds. From 25 to 30 per cent of the fish is chicken and large halibut. On the next day, the Pioneer, a vessel from the northern banks, marketed 37,000 pounds, and seven small Seattle boats marketed 30,000 pounds. Because of the presence of the fish from the northern banks, the price dropped to 16 1/2 to 20 cents for mediums and 12 to 16 cents for the other grades, or an average drop of 3 cents per pound on the first grade and one-half cent per pound on the second. On the 20th, 30,000 pounds more of northern fish was offered with 42,000 pounds of local, which received 15 to 16 1/2 cents and 13 to 15 cents, or another drop of 3 cents on mediums. This is a situation which occurs every time a vessel from the northern banks lands fish in Seattle. With an increase in landings that would result following the enactment of the proposed law, the 125 Seattle vessels would be forced out of business. These vessels represent an investment of \$625,000, and provide a living for 625 men. The benefit derived by Seattle by the arrival of these few vessels from the north would more than be offset by the loss of the vessels that operated entirely out of Seattle.

An increase in the cost of marketing fish such as this proposed law would cause would open our industry to competition of foreign fish. Our principal competitor at the present time is Canada. During the past year approximately 80 Canadian vessels landed 9,524,728 pounds of halibut in Prince Rupert. These vessels are small, and fish on close-in banks, and as a result are able to operate more cheaply than the American vessels. Their output is held in check by the

fact that their market is the same as ours and that they are compelled to pay a 2-cent duty. A change in the method of marketing American halibut would cause a large influx of this fish.

The last two years have seen the entry of Japan into the frozen-fish market in the United States. The Japanese have unlimited banks close to their country and are able to land frozen halibut in the United States as cheaply, if not cheaper, than can the Americans. A change in present marketing conditions would handicap us greatly in competition with both the Japanese and Canadians.

In connection with this controversy we would like to submit a few facts for your consideration. It has been mentioned that the Canadians have a hold on the halibut industry. This is entirely erroneous. In the first place American buyers—New England Fish Co., Booth Fisheries Co., and San Juan Fishing & Packing Co., all large American buyers, have branches at Prince Rupert, and purchase the largest portion of fish landed there by American fishermen. In the second place the money received for fish sold is not spent in Prince Rupert, 90 per cent of the outfitting is carried on in Ketchikan. No fishing gear can be purchased in Prince Rupert as the duty on lines is prohibitive.

It is conceivable that under the operation of the proposed law Ketchikan will profit slightly but not in a measure as would warrant the hazard to this industry. We are American citizens and would therefore prefer to discharge our fish at an Am-

erican port, and to do so when it is practicable. We can not profitably land all our fish in Ketchikan, and in order to remain in business we must land our catches wherever they can be landed at a profit. Prince Rupert, by reason of its position as terminus of a railroad, offers us a market that can not be equaled anywhere. The difference between prices paid in Prince Rupert and Ketchikan represents our profit. This is shown by the following example, which is a common one.

On October 12, 1928, the schooner Foremost landed 35,000 pounds of halibut in Ketchikan and received a price of 10 1/2 cents and 6 cents.

The same day the Albatross sold 33,000 pounds in Prince Rupert for 13 cents and 6 cents. On the following day, the day when the Foremost would have been in Prince Rupert, had she chosen, the Yakutat sold 36,000 pounds for 14 8-10 cents and 6 cents. By choosing to sell in Ketchikan the owners and crew of the Foremost lost \$1,200, which sum represents the difference between the price paid in Ketchikan and Prince Rupert. There are times when Ketchikan buyers refuse to even make a bid. Can anyone wonder that fishermen market their catches in Prince Rupert in preference to Ketchikan.

We appeal to you not to destroy the halibut industry. The industry which we represent consists of 250 vessels, valued at over one and one-half million dollars, and gives employment to 2,500 men. This industry has grown under the present system of marketing. Its start begins with the construction in 1915 of

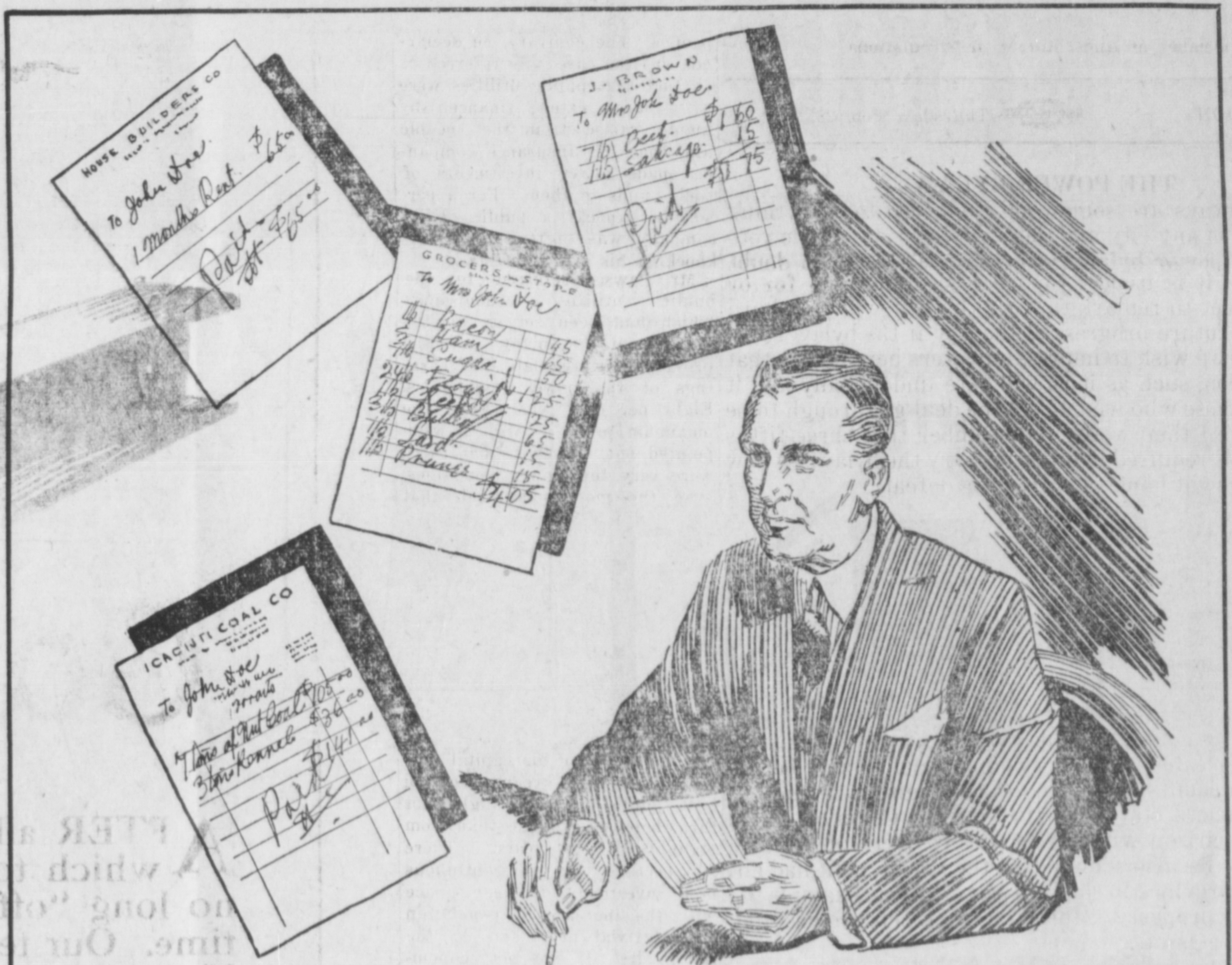
JAPAN'S PEAKS MOUNT PEERLESS SKIES



An interesting aerial view of Mount Fuji, Japan's most beautiful peak, showing the cone rearing its superb lines high over the fleecy pastoral lands of azure skies.

the Canadian railroad, over which our product is now shipped. Any change from the system under which the industry has grown will bring ruin to it. We beg your careful consideration of these questions, gentlemen. They affect us most seriously. We wish to continue in business and remain in this great industry, and we say with all confidence that investigation of

the facts will demonstrate that at the source of the activities in behalf of the measure will be found self-interest that has no proper regard for the good of this industry or ignorance that fails to view it in its broader and more generous sense. Respectfully submitted, FISHING VESSEL OWNERS ASSOCIATION.



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