

Notice Re Open Quota of 25,000 tons
of East Coast Herring to Dry Salting +
Reduction, Cancellling the ^{Preferential} Policy of "Food"
Products manufacturing

Geo. J. Alexander, Esq.,
Assistant Commissioner of Fisheries,
Department of Fisheries,
Victoria, B. C.

Dear Sir:

Re: East Coast Herring Fishing

With regard to the above of which we were advised several days ago of your contemplated change for the coming season, we wish to be allowed to present the following views on this subject and register our disagreement to the suggested plan of throwing open the quota of 25,000 tons of Herring to competitive fishing.

The reasons we wish you would kindly listen as our pleadings and prayers are quite simple which can be struck out in the following:

1. Herring is an edible fish and the main production out of it should be for food purposes. We understand your well-aimed conservation regulations is primarily for this purpose in conjunction with purpose of Federal Government.
2. As the history of Herring fishing started about 37 years ago in Nanaimo and of which you are quite familiar, this specie of fish has always been utilized by us for food purposes only excepting last few years. As far as we are concerned, we have maintained this attitude in both coasts of Vancouver Island continually, especially in the East Coast.
3. In as much as the above is the fact vividly known to your Department and all others connected with dry-salting operations and subsequent Herring enterprises, we are in the opinion that the competitive fishing now suggested by your Department is not in conformity with the primary purpose of Herring fishing, specially in the East Coast of Vancouver Island. The above is quite simple as far as the principle of Herring industries are concerned. There is another aspect, however, to be considered together with it. That is the value of product manufactured out of fresh Herrings. In peak

year of 1928-29 season, cif price of dry-salt Herrings exported from British Columbia to Orient amounted to \$2,183,162.52. We are positive there is not a slightest doubt that the value of edible fish manufactured as a popular food in China and other parts in Orient brings into Canada more return than it is dumped into oileries, the distribution of which spreading over quite a number of labours in the season and various industries connected such as box shock makers, nail manufacturers, wire dealers, weighers, steamship companies, wharves, scow and tug operators.

While the above is the reason why the status quo should be maintained in East Coast fishing, we frankly admit that export of dry-salt Herring in last ten years dwindled quite a bit owing to series of incidents, boycotts, fluctuation of exchange and etc. (a) However, we want to impress on you that this should not be reason to be discouraged for us and we certainly are not. We are aware the market we have built up in Orient is still there and we kept the market to the best of our ability throughout these lean years even during last two years in the midst of present incident. We are the residents of British Columbia for so many years, practically pioneering in dry-salt Herring business and look forward for many more coming years to continue in the business. And when we visualize of the possibilities of this popular commodity in China after the present incident closed and new orders quickly restored, to go into the tremendous market of perhaps four billion people, nothing can have brighter prospect than this industry. And we who have being engaged in this business since its inception feel that we are in a better position to judge and handle this exporting proposition than any others. (b)

Beside the dry-salt Herring operation, there are several other reasons to support our contention. Herrings for canning purpose, Herrings for freezing, Herrings for bait, Herring for fresh fish market, and Herring for smoking purpose totally depend on East Coast operation because of the facilities and markets on mainland. Although the quantities appropriated for these purposes are rather small, nevertheless they are the very important factors in Herring fishing

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(a) Appendix 1. Tonnage and Value of Dry-Salt Herring of past 1926/39.

(b) Appendix 2. Shows quantities used for these purposes in last two years.

season. It is more so when a consideration is given to the canning operation with a noble determination to overcome the handicap Herring itself has in canning.

Still another consideration we wish you would give for us is the investment we have made along East Coast of Vancouver Island. Our investments in salteries and equipments together with fishing gears are considerable. It is quite different compared with fishermen who intends to come out to the fishing ground, try to operate the fishing with one boat and one seine, deliver the catch to oileries in large quantities and done with.

Thus we have expressed our view in this matter very simply, plainly and accurately, for we know the facts are well known to you. We hope you will give our case your usual careful consideration and hoping that you will give it your favourable decision and maintain the conditions as at present, as we believe, this is in the best interest of the fishing industry of British Columbia.

Yours very truly,

SUPPLEMENTARY

Total Pack of Dry Salt Herring in East and West Coast 1924-39.

<u>YEARS</u>	<u>EAST COAST</u>	<u>WEST COAST</u>
1924-25	15,350 Tons	23,044 Tons
1925-26	31,294 "	19,983 "
1926-27	20,541 "	17,097 "
1927-28	31,750 "	16,895 "
1928-29	39,936 "	15,760 "
1929-30	36,817 "	11,639 "
1930-31	25,300 "	8,567 "
1931-32	33,763 "	2,717 "
1932-33	10,632 "	2,511 "
1933-34	22,963 "	2,799 "
1934-35	16,199 "	4,436 "
1935-36	13,303 "	1,030 "
1936-37	17,798 "	1,541 "
1937-38	10,255 "	Nil
1938-39	7,476 "	Nil

APPENDIX 1

Tonnage and Value of Dry-Salt Herring of past 1926/39.

<u>SEASON</u>	<u>TONNAGE</u>	<u>VALUE</u>
1926-27	37,638	\$1,681,289.46
1927-28	48,645	2,099,031.75
1928-29	53,746	2,183,162.52
1929-30	50,476	1,951,402.16
1930-31	33,867	1,044,119.61
1931-32	36,430	840,499.20
1932-33	13,343	296,614.84
1933-34	25,762	539,715.90
1934-35	20,625	555,018.75
1935-36	14,333	407,917.18
1936-37	19,139	559,432.97
1937-38	10,255	310,829.05
1938-39	7,476	218,897.28

APPENDIX B.

Example of utilization of Herrings caught by us in East Coast of Vancouver Island.

Season of 1937-38	Total catch	22,915 tons
For Dry-Salting	10,255 tons	
" Freezing	160 "	
" Bait	144 "	
" Fresh	152 "	
" Canning	800 "	
" Oileries	<u>11,384 "</u>	
		22,915 tons

Season of 1938-39	Total catch	20,462 $\frac{1}{2}$ tons
For Dry-Salting	7,736 tons	
" Bait & Freezing	314 "	
" Fresh	47 "	
" Canning	573 "	
" Oileries	<u>11,785 "</u>	
		20,462 tons

May it please your honor in regard to the attitude of the Japanese residents in Canada toward the Budget Resolutions which were introduced in Parliament on December 2, 1940, by Hon. J. L. Ilesley, Minister of Finance. Just as Canadian citizens of other races have accepted with grim determination the enactments affecting the Customs Tariff and the importation of foreign goods, as measures required in the effective prosecution of the present war, so we, the Japanese in Canada, are also prepared to support and co-operate in the execution of such regulations.

After a closer examination, however, of our situation as affected by the provisions of the War Exchange Conservation Act and other Amending Acts, we have arrived at a view to which we hope you will give a kind consideration.

The matter in question concerns our most vital needs. In normal times, the goods amounting to approximately ten percent of Canada's total imports from Japan or \$300,000 to \$500,000 in value, have been consumed annually by the Japanese residents in Canada. Furthermore, such consumable goods have consisted almost wholly of food materials, for our people, having not assimilated in respect to the diet, though completely Canadianized in the matter of housing and clothing, have demanded them regularly since their arrival in this country.

Under such circumstances, the prohibition of food imports to a major extent does unquestionably involve a serious problem for our people. Soy sauce, for instance, is barred from entering into this country under the new regulations. For a Japanese, being accustomed to his native diet, this sauce, like sugar and salt, is indispensable as seasoning ingredient, and it is deemed by him as a primary food material together with the soy-bean paste and rice. Shortage and final disappearance of such a provision from the Japanese dinner table means an abrupt change of diet and almost a complete departure from their cherished dishes. Naturally, being alarmed at this state of affairs, our people are earnestly seeking for some means of an arrangement by which they may continue to enjoy their traditional cuisine.

On the one hand, under the present War Exchange Conservation Act, the fact that the possible savings of foreign exchange, resulting from the prohibition of some sixty per cent of annual food imports into Canada from Japan, ranging from

\$200,000 to \$300,000 in value, and the application of such savings to an increasing exchange demand created by the wartime purchases abroad, is not above our comprehension. On the other hand, we are also aware that the Japanese will be compelled to consume Canadian food products which are equally important, if not more, as other war supplies in view of the present struggle. As such being the case, we believe that Canada cannot disregard it lightly.

In order that our critical situation, now quite evident as explained, may be alleviated and that we may be of some service to our adopted land by helping to conserve materials for greater needs, we should like to present a plan before you for your examination, and if your approval and consent be granted for its adoption, we should be greatly obliged and be grateful to you.

A suggested project is a barter system to be arranged between Canada and Orient, whereby some Canadian raw products find their way, after they have been processed or manufactured, into a vast market in the East in exchange for the food imports into Canada.

At this moment, we are referring especially to the salt herring for such an exchange. A little over a decade ago, the herring in their raw stage were regarded as worthless, whereas to-day, due to ingenuity and unflinching effort of many Canadian fishermen of Japanese origin who adopted the method of salting for export of these species, the salted product has found a market in the East with its production, at times, attaining a point as great as 50,000 or 60,000 tons per annum, valued at \$2,000,000 or more.

In the recent years, however, the whole outlook for the Canadian salt herring industry has been steadily discouraging. With the changes of condition in the Orient and their repercussion upon the financial structure in that part of the world, and the consequent instability of the exchange rate, the price levels of the salted product continued to be depressed.

An impending disaster was prevented only by a rescue effected by the British Columbia Salt Fish Board which was set up at that time. Its skilful control of the industry and exportation of the product gradually stabilized its market price at a lucrative level. This trend, however, did not endure long. With a mounting pressure of control upon the foreign exchange in Japan, and later a similar step in this country, once more the industry found itself confronted

with difficulties. This time, it appears to suffer more severely than before, with its plants and equipments left practically idle. Faced with these conditions, the enterprisers of the industry have been desperately searching for some measures of reviving it. Incidentally, a probable solution seemed to have occurred.

If the afore-mentioned barter system be permitted to take place, the salted herring can be exported in exchange for desired food materials from the Orient. Thus, the scheme may solve the doubly involved problem, with such advantages as enumerated below.

1. Under this arrangement, Canadian food products may be saved for use in the war, and at the same time the Canadian supply of foreign exchange will not be depleted.
2. The capital investment in plants and equipments in the salt herring industry, now hardly in operation, may be fully utilized, giving employment to men and producing valuable product.
3. The Canadian salt herring shall still hold their place in the Oriental market, with potential customers being prepared for a greater consumption when peace is restored in that part of the world.
4. The probable decrease in the productive vitality of the Canadians of Japanese origin, resulting from an abrupt change of diet, may be prevented.

In concluding our representation, we wish to state that the importance attached to the problem may be a minor one, nevertheless, we are convinced that Canada can use every available dollar to her advantage in her war effort.

N O T I C E

Canadian Salt Herring Exporters Limited

Under the Consolidated Regulations Respecting Trading with the Enemy (1939) the Secretary of State of Canada in an order dated the 7th day of January, 1943, has required that the business of the above company be wound up and has appointed the undersigned as Controller of the company with the powers of a Liquidator.

Every creditor of the company must file proof of debt with the Controller within thirty days of the date hereof in the form prescribed by the Court under the Winding-up Act (Dominion).

Frederick Field, C. A.,
Controller,
Canadian Salt Herring Exporters Ltd.,
c/o P. S. Ross and Sons,
The Royal Bank Building,
675 West Hastings Street,
Vancouver, B. C.

Vancouver, B. C.

10th February, 1943.

DEPARTMENT OF THE SECRETARY OF STATE

OF CANADA

WHEREAS under Regulation 15 of the Consolidated Regulations Respecting Trading with the Enemy (1939), the Secretary of State on the eighteenth day of December, 1941, prohibited the CANADIAN SALT HERRING EXPORTERS LIMITED from carrying on business except under the supervision and control of MESSRS. P. S. ROSS AND SONS, Chartered Accountants.

AND WHEREAS the said MESSRS. P. S. ROSS AND SONS have supervised and controlled the affairs of the CANADIAN SALT HERRING EXPORTERS LIMITED and have presented to the Custodian a report dated the twenty-seventh day of October, 1942, of the operations of the company.

AND WHEREAS it appears to the Secretary of State that the business of the CANADIAN SALT HERRING EXPORTERS LIMITED should be wound up.

NOW THEREFORE, the Secretary of State by his duly authorized Deputy, GLENN WILLOUGHBY McPHERSON, hereby revokes the order of the eighteenth day of December, 1941, appointing MESSRS. P. S. ROSS AND SONS supervisors and controllers of the affairs of the CANADIAN SALT HERRING EXPORTERS LIMITED, and in substitution for that order hereby appoints FREDERICK FIELD, Chartered Accountant, in the City of Vancouver, in the Province of British Columbia, a representative of MESSRS. P. S. ROSS AND SONS, as controller of the affairs of the CANADIAN SALT HERRING EXPORTERS LIMITED.

The Secretary of State hereby confers upon Frederick Field, Chartered Accountant in the City of Vancouver, in the Province of British Columbia, a representative of MESSRS. P. S. ROSS AND SONS, such powers as are exercisable by a liquidator

in a voluntary winding-up of a company, including power in the name of the CANADIAN SALT HERRING EXPORTERS LIMITED, or in his own name and by deed or otherwise to convey or transfer any property and power to apply to the Court having power to appoint a receiver or liquidator or to grant a winding-up order, or a judge thereof to determine any question arising in the carrying out of this order.

The Secretary of State orders that the remuneration payable and costs, charges and expenses incurred in connection with the original inspection, supervision and control and in the winding up of the business to such amount as may be approved by the Secretary of State, shall be defrayed out of the assets of the business and shall be charged on such assets in priority to any other charges thereof.

DATED at Ottawa, this 7th day of January, A. D. 1943.

G. W. McPherson.

Authorized Deputy of the Secretary
of State and/or the Custodian