

blunt truth is that many of our major fisheries, even those which have been successfully rehabilitated in a physical sense, cannot survive in their present form against foreign fishermen and the equally severe competition of domestic suppliers of other high protein foods. Tariff and quota protection is at best a temporary measure, and in the long run it would lead to a wave of retaliation that could hardly fail to leave all of the world's fisheries in worse condition.

The driving force behind the remarkable growth of the American economy has been its insistence that all who use resources must use them effectively or give them up to those who will. It is within the power of most parts of the fishing industry to meet that challenge, but it will require vision, a good deal of courage, and a willingness to accept the fact that the principal problems involve people rather than fish.

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Financial Aids Available to You and Your Foreign Competitor

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Abstract

Under provisions of the Fish and Wildlife Act of 1956, the Department of the Interior makes loans for fishing vessel construction and operation from a \$13,000,000 revolving loan fund. In addition, mortgage insurance is provided and a fishing vessel differential construction subsidy applicable to only certain segments of the fishing industry is paid. A long list of other countries throughout the world provide similar credit and vessel construction aids. Some of these countries go much further in their financial aid programs than we do.

In general, where the efficiency of a nation's fishing fleet can be improved by a sound government financial aid program, it would appear wise for governments

to make provision through credit or other financial aids which would effect the improved efficiency needed. There are also other reasons such as sociological and political conditions which sometimes compel these financial aid programs.

It is advisable for us and other nations to observe each other's activities in this field. By this means, we and the other nations in the past have obtained some beneficial ideas about handling fishing vessel loan and financial aid programs and we should continue to benefit from future contacts.

MOST OF YOU are pretty much aware of what is available to United States fishing vessel owners in the way of government participation in vessel financing. Let me briefly summarize what is available as an aid in making comparisons to the governmental financing available to your foreign competitor in the operation of his fishing vessel.

Under the Fish and Wildlife Act of 1956 we have the \$13,000,000 revolving loan fund authorized by section 4 of that Act. This fund has become pretty well known throughout the fishing industry. We have our Branch of Loans and Grants personnel in the various regional offices of the Bureau of Commercial Fisheries who are making daily contacts with respect to the Fisheries Loan Fund operation. As of December 31, 1960, loans authorized on that date amounted to \$9,477,228. The balance available for use was \$5,573,988. Collections on principal from loans made earlier amounted to \$2,377,000 and collections of interest are just about offsetting expenses.

Last year the 86th Congress authorized a satisfactory means of financing mortgage insurance of mortgages effected for the construction, reconstruction or reconditioning of fishing vessels. This action supplemented an earlier authorization for this type of service and initiated a fishing vessel mortgage insurance program which is now carried out by the Bureau of Commercial Fisheries. The 86th Congress also enacted a construction differential subsidy law which applies only to fisheries injured or threatened with injury by reason of increased imports of a fish or shellfish product. In spite of all the restrictions contained in this legislation, the Bureau of Commercial Fisheries has now received several applications for construction subsidy aid and it appears that a number of vessels will be financed by this means.

Other nations have also been quite active in making governmental assistance available for financing fishing vessels. Taken all together the means by which this assistance is rendered are many and varied. In connection with the FAO technical meeting on Credit for Fishery Industries held at Paris in October 1960, I can report several interesting things as a result of my attendance. That Agency had a special pamphlet prepared for use at this meeting. This pamphlet is entitled *Financial Assistance Schemes for the Acquisition or Improvement of Fishing Craft*. It contains considerable information on this subject obtained from questionnaires which were completed and forwarded to FAO for analysis by many important fishing nations.

A summary of the various types of schemes reviewed is given in Table 1. I have taken the liberty to revise and bring up-to-date this table by adding some additional information for the United States. A reproduction of the revised summary is shown.

It is pretty obvious from Table 1 that loans are the most popular form of financial aid. They do not disturb normal patterns of competition and trade as much as grants or subsidies. It is only after more difficult problems are faced and the need for grants or subsidies is firmly established that nations resort to this kind of aid. In recent years one of the main reasons for grants has been

TABLE 1
FINANCIAL AID SCHEMES
(by country and type of assistance provided)

Type of Assistance	Belgium	Canada	Denmark	France	Fed. Rep. of Germany	Ireland	Japan	Malta	Norway	Spain	Union of South Africa	United Kingdom	United States of America	TOTAL
Loans														17
Grants														6
Loans and/or grants														1
Payments of loss on guaranteed loans	1							1						2
Interest allowances														2
Interest and or life insurance allowances														1
Grants, loans and sales on credit terms														2
Sales on credit or hire-purchase terms														1
Loans or other supports														1
TOTAL	1	8	2	5	2	1	1	1	2	2	1	4	3	33

the deterioration in the quality of fishing vessels operated in the fishing fleets of some nations. Other sound reasons are obsolescence of fishing craft and need to increase efficiency of vessels and productivity of fishermen.

That such problems have occurred in various nations is fairly obvious. It can be seen from Table 1 that six nations provide grants, and there is one, Malta, in which grants may be made in lieu of loans. It may also be noted that either one or two nations in each case provide other alternative aids such as loan guarantees, interest allowances, interest and/or life insurance allowances, hire purchase and a combination of loans, and various other supports.

Although it is not a part of the table it should be noted that certain low-cost insurance schemes covering fishing vessels and gear are available in several nations. Canada has this for small vessels and lobster gear and Japan also operates such a scheme for its fishing vessel owners.

Now let us see more specifically some of the details of financial aid given by foreign countries to their fishing industries as revealed in the above referenced FAO publication. We shall take several of the foreign countries covered in the survey and examine a little more closely just what it is they offer.

Belgium

This nation has a revolving loan fund which is used to make loans for acquisition or improvement of fishing vessels. They normally loan an amount not exceeding 70 per cent of the cost of the vessel or improvements. In addition, Belgium guarantees loans, will pay not more than one half the interest on any loan made by a fishing vessel owner up to a maximum of 3 per cent and it guarantees interest and dividends up to a maximum of 5 per cent per annum over a period not exceeding 10 years on any new private investment in the fishing industry.

Canada

Loans are made by provincial loan boards. Interest rates vary in the Province of Nova Scotia but in New Brunswick they are 4 per cent and in Prince Edward Island 3 per cent. Federal construction grants are made for certain types of vessels. Regulations have been approved authorizing grants of up to 50 per cent of approved costs for constructing steel trawlers where a new trawler will replace an old one. For wooden vessels over 45 feet in length a construction grant up to \$250 per gross ton will be made. In Newfoundland they make additional construction grants of \$160 per gross ton on wooden vessels. Canada also subsidizes interest payments on loans, provides life insurance allowances when required by a lender, and guarantees loans made to fishing vessel owners.

West Germany

Loans are made for promoting the small deep-sea and coastal fishery by the Ministry of Food, Agriculture and Forestry under regulations of January 23, 1953. Loans may be made to individuals for construction of new vessels, acquisition of engines, and repair or modernization of existing vessels. The coastal states (Länder) work with the Federal Republic of Germany in carrying out these loan operations.

France

Loans for the fishing fleet are given by certain societies organized under the Mutual Maritime Credit System (or CMM). The basic law of the CMM system

dates back to December 4, 1913. It has been amended several times since then, most recently by the law of December 13, 1950. The decree of April 14, 1914, covering the enforcement of the law of 1913 is an important part of the system. These societies should not be considered as being public in character. They are, nevertheless, mentioned here because their structure and activities are covered by precise legal provisions (CMM) and they are partially financed by government loans. Construction differential subsidy is also available for vessels over 50 tons as well as subsidized interest allowances on loans made through private sources.

Norway

Loans may be granted from the Fishery Bank, which is a State corporation organized by law and having the objective of financing the fishing industry. The disposal of capital supplied by the State is subject to certain limitations (Working Fund and Reserve Fund). The State cannot, however, require repayment of this capital until the Bank is liquidated and its ordinary debts are settled. The Bank may, upon the approval of the Director of Finance, raise loans up to a total of ten times as much as the Working Fund. These loans to the Bank are guaranteed by the State.

The Bank is governed by a Central Board of five members. The chairman and vice-chairman are appointed by the National Assembly (Storting) and two members by the King. The Director of the Bank is the fifth member of the Central Board. Certain fishermen's organizations may make recommendations as to the persons they wish appointed. The Director of Fisheries or a person appointed by the Ministry of Fisheries may also take a place on the Board as a consultative member.

United Kingdom

Grants for the acquisition of new fishing vessels and in certain cases of new engines for such vessels are authorized by the White Fish and Herring Industries Act, 1953. Conditions of grants are laid down in schemes made under this Act—the White Fish Industry (Grants for Fishing Vessels and Engines) Schemes, 1955 and 1956, and the Herring Industry (Grants for Fishing Vessels and Engines) Schemes, 1955 and 1956. Amendments to these schemes were under consideration in 1961.

The White Fish and Herring Industries Act, 1957, authorizes grants toward the cost of converting suitable coal-burning fishing vessels to oil-firing or Diesel propulsion. Conditions of the grant are laid down in the White Fish and Herring Industries (Conversion Grants) Scheme, 1957. The grants may be made by two corporate bodies—the Herring Industry Board (the Board) in case of grants to the herring fleet and the White Fish Authority (the Authority) in case of grants to the white fish fleet. The activities of these two corporations are strictly regulated by law. They have an income derived from levies on first-hand sales of fish, from which much of their business is financed, but funds for the grants are derived from the Exchequer and may be drawn upon by the Authority and the Board up to such amounts and during such periods as have been approved by Parliament.

The normal rate of grant is one quarter of the expenditure incurred. In the case of working owners buying new vessels or engines, however, the grant is payable up to three tenths of the expenditure incurred, subject to a limit of £5,000 in the case of a vessel and of £1,250 in the case of an engine. A

grant by the Board toward acquisition of a new vessel for herring fishing may not exceed £15,000. One by the Authority towards the acquisition of a new vessel may not exceed £30,000. A grant towards the cost of conversion may not exceed £7,500 in cases where engine boilers are converted to oil-firing or £10,000 in cases where a coal-fired steam engine is replaced by an engine which does not consume coal.

Payments are restricted to vessels and engines which are constructed and equipped to the satisfaction of the Board and Authority, in accordance with approved plans and specifications, and vessels must conform to any standards laid down by the Minister of Transport and Civil Aviation under the Merchant Shipping Acts, 1894 to 1952. The vessels and engines schemes and the conversion grants scheme also provide that accommodation for officers and crew generally shall conform, as far as is reasonably practicable, to the best modern practice appropriate to the class of vessel concerned.

Under the Herring Industries Acts 1935 to 1953 and the Sea Fish Industry Act 1951 the Board and the Authority also make loans. For this purpose they are authorized to borrow, subject to regulations made by Ministers and approved by the Treasury, from the Exchequer up to such amounts and during such periods as have been approved by Parliament.

The conditions of loans are similar to those of grants. In fact, nowadays, loans are rarely made for the purchase of new boats or engines without grants also being paid. Loans are normally limited to 60 per cent of the cost of a vessel, engine or conversion. Working owners, however, may receive loans of only 55 per cent, this differentiation ensuring that all owners shall find at least 15 per cent of the total cost themselves. The period for loans varies, and interest rates vary with the period. In the spring of 1955, the White Fish Authority was lending money for up to five years at 3 3/8 per cent, for between 5 and 15 years at 4 per cent, and for more than 15 years at 4 1/4 per cent. By the spring of 1957 the rates had risen to 5 per cent, 5 1/4 per cent, and 5 1/4 per cent, respectively.

In addition to these main loan schemes for new vessels and engines, the White Fish Authority also makes loans for the reconditioning of suitable inshore, near, and middle water vessels. Reconditioning covers re-engining and conversion to motor power, and the installation of echo sounders. The Authority lends inshore fishermen (i.e., fishermen using boats not more than 70 feet long) up to 60 per cent of the cost of nets and gear in certain circumstances. The Herring Industry Board similarly provides 60 per cent loans for nets and gear to herring fishermen. All loans for nets and gear are repayable over periods of not more than three years.

From an administrative point of view there are various ways in which government financial assistance is carried out. Throughout the world the different agencies which administer the varying financial schemes within nations are as follows:

- (a) government departments directly involved in the administration of schemes, e.g. Belgium, Federal Republic of Germany, and United States.
- (b) specially constituted development corporations, e.g. Ireland, Japan, and Union of South Africa.
- (c) fishery banks, e.g. Denmark, Norway, and Spain.
- (d) specially appointed loan boards or commissioners, e.g. Malta and certain provinces of Canada.
- (e) approved cooperative credit societies, under the supervision of a government department.

I would like to repeat a few general observations made at the Paris meeting as to principles which should guide any fishing industry group in developing its thinking with respect to financial assistance programs:

- (1) A prime objective should be proper use of our fishery resources.
- (2) Strive for greater efficiency in vessel operation and productivity of fishermen.
- (3) Recognize the credit principles involved in a particular problem and plan properly to solve the problem without violating any sound credit principles.
- (4) Don't give a crutch to industry but keep the fishermen independent.

In all of this the government should look to the particular fisherman using these aids as the central figure in the scheme of things. This is best stated in the following excerpt from an official report:¹

"The key to successful fishery development is the capable fisherman. Given the opportunity and sufficient information and advice he will acquire the boat and gear best suited to the fishery he pursues and will operate it successfully. The best designed equipment can be of little value in the hands of a man who lacks ability and skill or in particular circumstances for which it is not suitable. The government agency administering the scheme can collect valuable information on the performance of various types of equipment and other relevant factors and can provide expert advice, but the final judge of what equipment to use and of where and how to use it, must be the able, enterprising and skillful fisherman himself. The less he is hemmed in by limitations, minimum requirements, and standardization, the more likely is he to be successful. The central task of the administering authority is then, in our opinion, to ensure that grants and loans are extended to those most likely to use them to the best advantage. To this end an intimate knowledge of the fishermen and the fisheries... is essential."

Fish in Nutrition

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Abstract

The Food and Agriculture Organization International Conference on Fish in Nutrition was attended by 304 participants from 35 countries and international organizations.

The Conference was convened in response to a recommendation of the 10th Session of the FAO Conference held in Rome in 1959. The main objectives of the Conference were to group together scientists in human and animal nutrition, and food and fishery technology to evaluate the knowledge available in these fields, and to point to future research direction as well as the practical application of existing information.

The Conference was convened in plenary session only and organized into the following five main topics:

I. The Role of Fish in World Nutrition

¹Source: *Report of the Prince Edward Island Fisheries Development Committee*, Charlottetown, P.E.I., 1956, pp. 35-36.