

MAINE STATE LEGISLATURE

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STATE OF MAINE
OFFICE OF LEGISLATIVE ASSISTANTS
STATE HOUSE
AUGUSTA, MAINE 04333

March 25, 1977

Rep. John L. Martin, Speaker
Chairman, Legislative Council
State House, Augusta, Maine 04333

Dear Speaker Martin:

The Marine Resources Committee of the 107th Maine Legislature having completed its study on the Fishery Industry is pleased to submit its findings. Our conclusions and recommendations are included in the attached report.

Very truly yours,

Richard L. Berry

Senator Richard L. Berry,
Senate Chairman

Lawrence P. Greenlaw, Jr.

Rep. Lawrence P. Greenlaw,
House Chairman

JOINT STANDING COMMITTEE ON
MARINE RESOURCES

DRAFT REPORT
ON THE
FISHERIES INDUSTRY

February 1977

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INTRODUCTION

On March 19, 1975, the Maine Legislature directed the Joint Standing Committee on Marine Resources to undertake a comprehensive study of Maine's fisheries industry. According to the Study Order, HP 1604, the Committee on Marine Resources was charged "...to study and determine the present condition of the Maine fisheries industry...." The committee was ordered to report its results together with any proposed recommendations and necessary implementing legislation to the next special or regular session of the Legislature.

In order to fulfill its task, the Committee conducted 4 public hearings, and subdivided into 5 groups to study major issues in greater depth. Two days of public hearings were devoted to the supply of ground fish, the demand for fish, and factors that have a significant impact upon the fisheries industry including capital, insurance, taxation, and facilities for the harvesting, landing, and manufacturing of fish in Maine. The Committee conducted separate meetings pertaining to the availability and investment of capital in the fisheries industry, taxation of fishing vessels, and the fish marketing programs from many experts in each of these areas.

THE FISHING INDUSTRY AND THE MAINE ECONOMY

The fishing industry, historically, has been a very important part of the Maine economy: According to Cyrus Hamlin and John Ordway in the Commercial Fisheries of Maine, in the first half of the 19th century, Maine vessels landed roughly 20 percent of the total tonnage of

MAINE'S FISHING
INDUSTRY WAS A
LEADING INDUSTRY-
1ST HALF OF 19TH
CENTURY

fish caught in the nation, and Maine contained 50 percent of the fishing establishments on the eastern seaboard. Salted fish was a major item of trade in the 18th and 19th centuries, and it was shipped to Atlantic coastal ports and to the Carribean countries. Maine merchants and ship-builders invested their income which was derived, in part, from the fishing industry, in railroads, manufacturing, banks, and other sectors of the economy.

U.S. POST WW II
FOREIGN POLICY
ADVERSELY AFFECTED
NATION'S FISHING
INDUSTRY

Following World War II, United States foreign policy had an adverse effect on the nation's fishing industry, in general. According to James Gibson and David Boery, authors of Tell It Goodbye Kiddo, The Decline of The New England Offshore Fishing Industry, marshall plan aid from the United States to Europe was invested, in part, by European nations to build large, modern, and efficient fishing fleets. In addition, United States tariffs were reduced or removed completely on foreign fish which enabled foreign nations to capture the United States fish market. Between 1950 and 1973, for example, according to the U.S. Bureau of Census Publication, Statistical Abstract 1975, the nation's fish catch has dropped 5 percent and the U.S. fishing fleet has been reduced by nearly 10 percent. These statistics include all craft utilized in fishing. If an analysis of the type and size of fishing vessels were available, it might indicate that the number of deep sea vessels has dropped substantially while smaller vessels capable of coastal fishing have increased.

MAINE'S POSITION
IN NEW ENGLAND
FISHERIES HAS
NOT CHANGED
SIGNIFICANTLY
IN 25 YEARS

The decline of the nation's fishing industry is reflected, in part, by the decline of the fishing industry in New England and Maine. Between 1950 and 1973, for example, the Maine fish catch dropped 55 percent and the New England fish catch dropped 48 percent. During the same period, the number of New England fishing vessels declined 26 percent and the number of fishing boats (5 net tons or less) declined 6 percent.

In the past 25 years, Maine's fish catch as a proportion of the total New England fish catch has declined, but the value of Maine's fish catch as a proportion of the total value of the New England fish catch has increased. According to statistics compiled by the U.S. Census Bureau (Statistical Abstract, 1951 and 1975) Maine's fish catch comprised 35.3 percent of the total New England fish catch in 1950. By 1973, Maine's fish catch comprised 27.3 percent of the total New England fish catch. In 1950, the value of Maine's fish catch comprised 24.6 percent of the total value of New England's fish catch. By 1973, the value of Maine's fish catch comprised 36.4 percent of the total value of the New England fish catch value.

Maine's fishing fleet is also threatened by a scarce labor supply. Not only is the availability of qualified crewmen for fishing limited, changing social conditions have made fishing crews unwilling to stay away at sea for long periods of time. As a result, fishing vessels in Maine fish closer to the coast.

MAINE'S FISHING
INDUSTRY IS BE-
SET WITH MANY
PROBLEMS

In Maine, the fisheries industry is beset with problems involving the availability and cost of capital, port and landing facilities, insurance rates, widely divergent local boat tax assessments, marketing, and other factors. In order for Maine to realize any gain from the 200 mile limit, a number of these problems will have to be resolved.

ASSISTANCE IN BOAT PURCHASING

Mr. Bartlett Cram described to the Committee the disadvantageous position of United States fishermen when purchasing fishing vessels. Frequently, foreign governments subsidize their ship building industry. This permits the fishermen in those countries to purchase ships at less expense than U.S. fishermen. On the other hand U.S. shipbuilders are protected by the Jones Act which prohibits the importation of fishing vessels under 100 gross tons. This protection supports the price of American ships to the disadvantage of American fishermen. This problem was outlined in a letter from the Committee to Maine's Congressional Delegation. A copy of this letter is attached which includes several other recommendations for consideration. In particular, the Committee strongly recommended that:

1. That Congress enact a program which would subsidize the differential cost of a boat built in the United States as compared with the cost of the same boat built in a foreign county,
2. The United States withdraw from I.C.N.A.F.,

3. A thorough investigation of tariffs affecting the industry,
4. A review of several programs which provide funds for the industry,
5. Support for the legislation submitted by Senator William Hathaway which will provide loan funds for the industry.

CAPITAL FOR GROWTH AND EXPANSION OF THE MAINE FISHING INDUSTRY

AVAILABILITY & COST OF CAPITAL A MAJOR PROBLEM FOR THE INDUSTRY

One significant factor affecting the development of an economically strong industry is the availability of capital. Capital for the construction of fish processing facilities, for the purchase of fishing vessels, and for shipyard financing must be readily available at reasonable rates to insure a healthy industry. In Maine, capital for the development of the fishing industry has come from two principal sources, the federal government and private banks. A third source is private bank loans "guaranteed" by the State, by the Maine Guarantee Authority.

PRIVATE BANK CAPITAL

MAINE BANKS CON- SIDER FISHING IN- DUSTRY HIGH RISK ENTERPRISE.

In general, banks in Maine have considered the fishing industry a high risk enterprise. Therefore, interest rates for these types of loans are high. While bank policies have been more favorable toward fish processing and shipyard financing than toward fishermen, shipyards and processing plants are nevertheless considered by the banks to be a high risk investment.

FISH PROCESSING PLANTS

Fish processing plants should be designed and built to process a wide variety of fish species so that employment can be maintained year round and the incurred debt can

be repaid on a regular basis when the catch varies in kind and amount. A regular and reliable supply of fish is dependent upon the stocks of fish species in the ocean which have, in some cases, been depleted or have migrated to other locations. As a result, Maine processing plants have utilized imported fish to a large degree to establish a dependable supply. In 1975, for example, Maine processors imported 87,000,000 pounds of sea herring, mostly from Canada.

FINANCING
FISHING
VESSELS

A reliable fish supply is dependent, in part, upon a modern, well equipped fishing fleet. Much of Maine's fishing fleet, however, has experienced economic hardship and decline. Many of the vessels are 20 years old and older and will soon need to be replaced. Some of these owners are middle aged and older. Because of this they are unable to get long term financing. According to Lester Orcutt, former Director of the Maine Fisherman's Cooperative Association, fishing vessels 55-60 feet in length and equipped for fishing in the Gulf of Maine, range in cost from \$100,000-\$150,000. Steel vessels, 75-85 feet in length, cost \$150,000-\$225,000. A well equipped large trawler comparable to the foreign fishing vessels currently fishing and processing in the Georges Bank area would cost about \$2,000,000.

PROBLEMS AFFECT-
ING LOANS TO
FISHING IN-
DUSTRY

Banks in Maine consider the fishing fleet to be a high risk investment not only because of the dangerous nature of the business but also because of the business experience of many Maine fishermen, and because of admiralty law which can negate a bank's security interest

in a vessel. Fishing by its very nature is a high risk enterprise. Storms, insufficient stocks of some fish species, the migration of fish species from one location, and low financial returns to fishermen make the fishing industry less attractive for investment compared to other types of ventures.

FISHERMEN OBTAIN
LOANS BASED ON
INDIVIDUAL
REPUTATION.

Fishermen, for the most part, have not maintained records of their business activities which financial institutions require to evaluate business applications for bank loans. As a result, private bank loans to fishermen are based upon the reputation of the individual fisherman. A new fisherman or one without a good experience record is unable, for the most part, to obtain bank financing.

ADMIRALTY LAW
INCREASES LOAN
RISK

Admiralty law to which fishing vessels are subject, also increases the risk of private bank loans. Many liens that are placed against a vessel are unrecorded, and banking institutions cannot be certain that bank mortgages are a preferred lien above all other liens. In addition, other types of liens can be preferred over bank mortgages including crew wages, unpaid fuel bills, etc..

BANKS DO NOT
PROVIDE EXPERTISE
TO ASSIST FISHER-
MEN AND THEY DO
NOT HAVE EXPERT
KNOWLEDGE OF
FISHING IN-
DUSTRY

Private banks therefore, lend money to the fishing industry based primarily upon the reputation and experience record of the applicant. The banks rarely provide any technical or professional assistance to applicants to develop an economically attractive investment package that the banks would be willing to fund. Furthermore, the private banks rarely have individuals knowledgeable of the fishing industry on their staff who can evaluate the degree of risk of a proposal from the fishing industry. These factors contribute to high interest rates

and conditions of loans unfavorable to fishermen.

SOME BANKS
HAVE LOANED
FUNDS TO
FISHING IN-
DUSTRY

Although the private sector has been reluctant to loan funds to the Maine fishing industry, Maine banks have provided some loans to fish processors and fishermen. One Rockland area bank, for example, has loaned \$500,000 for fishing ventures. This bank has been willing to provide loans to fishermen who have good experience records, and each of these types of loans averaged \$20,000. Bank loans of \$100,000 or more to fishermen must be secured loans which, under Admiralty law, cannot be legally secured.

INDIVIDUAL BANK
LOANS DO NOT
EXCEED \$250,000
ON THE AVERAGE

For the most part, individual bank loans to the fishing industry do not exceed \$250,000, and loans this large are usually extended to processors. The fishing industry, in general, suffers from a lack of available capital investment.

FEDERAL FUNDS

FEDERAL AGENCIES
SUCH AS SBA PRO-
VIDE TECHNICAL
AND MANAGERIAL
EXPERTISE TO
FISHERMEN AND
THEREBY REDUCE
THE RISK OF IN-
VESTMENT AND IN-
CREASE THE OP-
PORTUNITIES
FOR LOANS

A second source of funds for the Maine fishing industry has been the federal government which provides funds in the form of loans. The Federal loan agencies work with the applicant to document the information necessary to determine whether the proposal of the applicant could be expected to succeed. This increased information in itself tends to reduce the risk by modifying the proposal if necessary to make the expectations of the venture more realistic. While private banks generally lend money only to fishermen and fish processors with very good experience records and a good reputation, federal loans are provided to the industry based more upon

the expected results of the venture.

Unlike the private banks, some federal agencies provide technical and professional expertise to the applicants in order to lower the risk of the proposed venture. By working with the applicant to develop an economically attractive investment, federal agencies such as the Small Business Administration raise the chances of success of the venture and repayment of the loan.

While the federal government has provided loans to the fishing industry on January 9, 1974, the National Marine Fisheries Service (NMFS) asked the Small Business Administration (SBA) to withhold financial assistance to the harvesting sector of any fishery which the NMFS had declared to be 'conditional'. Since the lobster fishery was one which was considered conditional this action had a severe effect on Maine fishermen.

The Small Business Administration, which has been a principal lender to the Maine fishing industry, provided guarantees of \$2,089,306 for 210 loans between early 1972 and the end of 1975. A total of \$1,535,000 was provided for regular business loans and \$554,306 was provided for disaster loans. Of the \$1,535,000 in regular business loans, 25 percent (\$388,900) was used to purchase 11 fishing vessels.

As of June, 1976, the SBA portfolio for Maine consisted of 65 fishing venture loans approved for nearly \$2,000,000. Delinquent loans comprised 4.12 percent of

the total SBA loans to Maine's fishing industry which compares favorably to the overall delinquent loan rate of 4.6 percent in the Augusta district area. The SBA attributes its successful fishing industry loan program in Maine to the technical and professional expertise that it provides to the fishing industry.

Senator Hathaway has introduced legislation, "The Commercial Fisheries Improvement Fund Act of 1976" which will be considered in the next session of the Congress. This Act if enacted will increase capital available for loans to the fishing industry.

STATE CAPITAL

MAINE GUARANTEE
AUTHORITY IS
AUTHORIZED
TO INSURE
LOANS UP TO
\$2 1/2
MILLION TO
FISHING IN-
DUSTRY

The Maine Guarantee Authority is the State Agency which could provide investment capital for expansion of the fishing fleet and fishing industry. To date, there has been no application for funds although 10 MRSA §801 et seq. authorizes the Maine Guarantee Authority to insure loans for such projects up to a limit of \$2,500,000 not exceeding 90% of the cost of real estate - and 80% of the cost of real estate in the form of documented fishing vessels and 75% for equipment, machinery and gear necessary for fishing and operating the vessel.

The Guarantee Authority has only \$3,945,000 in unallocated funds for all projects approvable under this section which include all industrial, manufacturing, fishing and agricultural projects.

RECOMMENDATIONS

The Committee recommends that:

1. 10 MRSA §802 be amended to increase the total

available funding capability of the Industrial Building Mortgage Insurance Fund from \$40,000,000 to \$45,000,000.

2. 10 MRSA §803 §§2 paragraph A be amended to provide for funding of fishing vessels registered in the State of Maine (as well as "documented" vessels).
3. The Maine Guarantee Authority advise banks of their program to insure loans and the requirements necessary for application.
4. The State Development Office be directed to provide technical assistance to loan applicants to document a loan proposal in order to ensure that the application will be reviewed in the best possible light.
5. The Commercial Fisheries Improvement Fund Act of 1976 introduced by Senator Hathaway be enthusiastically supported.
6. That a fund be established for fishermen and processors to provide short term loans at low interest rates when they don't have capital or there is a delay in the sale of presently owned equipment and vessels.

INSURANCE

Insurance costs, particularly to fishermen with a limited operation and crew, are expensive. In many cases, boat owners are not purchasing hull insurance and/or protection and indemnity insurance (P&I) because the cost is too great. Some boat owners, primarily family owned lobster vessels, have few or no accidents but find the cost of insurance prohibitive.

There are approximately 5 insurance companies which provide marine insurance for Maine fishermen and other

HULL AND P&I
INSURANCE ARE
VERY COSTLY
TO FISHERMEN

vessel owners. None of the marine insurance firms are located in Maine, but there are agents in Maine which act on behalf of the insurance companies. American Universal Insurance Company, The Insurance Company of North America, and the Marine Insurance Company of America, all of which are located in Boston, underwrite most of the marine insurance policies provided in Maine.

INSURANCE RATES
FOR OLDER WOOD
VESSELS ARE
HIGHER THAN
FOR NEW STEEL
HULL VESSELS

Insurance rates are based on several variables including the age and condition of the vessel, the experience and performance record of the operator, and the cost of the ship. An operator with a relatively new steel hull and a good experience record will pay a significantly lower premium than the operator of an older wood hull vessel with a poor experience record. According to the Bureau of Insurance spokesmen, many fishermen in Maine are paying annual premiums of 10-15 percent of the value of the hull to commercial insurance firms.

A large percentage of Maine's off-shore draggers carry hull insurance which is required by the banks holding vessel mortgages. A smaller percentage carry protection and indemnity liability insurance. Many lobster vessels, on the other hand, carry no insurance.

HULL INSURANCE

HULL INSURANCE
RATES ARE HIGHER
FOR DRAGGERS
THAN LOBSTER
BOATS BECAUSE
THERE ARE
FEWER DRAGGERS

Hull insurance rates for lobster vessels range, on the average between 2 1/2 and 10 percent of the agreed value. In general, hull insurance rates for lobster boats are less than the rates charged for draggers because there are many more lobster boats than draggers. By spreading the risk over many vessels, insurance com-

panies can lose income on some and gain income on others.

The number of draggers, on the other hand, is much more limited and the loss rate is also higher. Last year, for example, 15 percent of the fleet was lost. As a result, insurance rates are higher for draggers.

HULL INSURANCE
RATES ARE HIGH
BECAUSE POLI-
CIES BASED ON
FIXED VALUE

Hull insurance rates are higher for fishing vessels than for other types of firms or carriers not only because of the high risk of the venture but also as a result of agreed value payments for losses. Payments are made according to a fixed value that is not adjusted downward for depreciation over time as is the case with automobiles.

PROTECTION AND INDEMNITY INSURANCE

FISHERMEN AND
CREW ARE IN-
SURED UNDER
JONES ACT FOR
LIABILITY WHICH
HAS HIGHEST OF
ALL LIABILITY
RATES. PAYMENTS
ARE MADE AC-
CORDING TO
COURT DECI-
SIONS

Protection and indemnity rates are high for all types of fishing vessels because crewmen on fishing vessels cannot be included under the Long Shoreman and Harbor Workers Act or the State Workmen's Compensation Act which have lower rates than the Crewman On Vessel policies. Under the latter policy, the owner is responsible for an injured seaman's wages, maintenance, and cure. Insurance payments to injured seamen are usually awarded by the courts, and court awards have often been very substantial. As a result protection and indemnity insurance is costing boat owners between \$1,000 and \$2,000 per crewman for a maximum policy of \$100,000. Table 1 shows the differences in rates among classes of protection and indemnity insurance.

TABLE 1
COMPARISON OF P&I INSURANCE
COSTS AMONG CLASS OF INSURANCE

<u>CLASS OF INSURANCE</u>	<u>RATE PER INDIVIDUAL</u>
STATE WORKMEN'S COMPEN- SATION	25¢ PER INDIVIDUAL SALARY
LONGSHOREMAN'S AND HARBOR WORKERS	\$15.20 PER INDIVIDUAL SALARY
CREW ON VESSEL (JONES ACT)	\$1,000-\$2,000 PER INDIVIDUAL

There are three alternatives to the present in-
surance system for Maine fishermen which are discussed
as follows:

1. Group Insurance or self-insuring
2. Pool Insurance by a Joint Underwriting Association
3. Group Insurance with a commercial insurance firm.

1. Group Insurance or Self-Insuring

NON PROFIT GROUP
INSURANCE
ASSOCIATION RE-
TURNS PROFITS
TO MEMBERS

Group Insurance or self-insuring is a cooperative approach to insurance. The Northern Loggers Association, for example, is a non-profit association of loggers who pay a premium to obtain workmen's compensation insurance. At the end of the year, the cooperative returns the surplus funds to the members of the Association.

EXCESSIVE COST
MAKE INSURANCE
UNAVAILABLE
TO MANY
FISHERMEN

In order to operate as a non-profit self-insuring association, the prospective group has to "show cause" or the need for such insurance. The most popular reason for the "cooperative" approach is the lack of availability of insurance. In many cases, excessive cost of insurance makes insurance unavailable. In addition to "showing cause", the group must obtain enabling legislation that exempts the group from State insurance laws. The self-insuring association must determine its maximum expected

losses, the costs of operation, and its potential income. After "reasonable" rates have been established, the association would be required to deposit a sum with the State Treasurer to cover losses that incur shortly after the association has commenced operation.

2. Pool Insurance-Joint Underwriters Association

POOL INSURANCE
SIMILAR TO
MEDICAL AND
HOSPITAL MAL-
PRACTICE IN-
SURANCE PLAN

Pool Insurance is insurance provided to a specific group by several firms which share the revenues and liabilities. An example of this approach in Maine is hospital malpractice insurance. The Maine Medical and Hospital Malpractice Joint Underwriting Association Act (24 (MRSA §2401), effective June 11, 1975, established a temporary joint underwriting association composed of all insurers with assets of \$5,000,000 or more and authorized to write personal injury liability insurance. The association of insurers writes malpractice insurance for hospitals.

The Association writes a malpractice insurance policy and proposes rates that are subject to review and change by the Superintendent of insurance. The Association is governed by a board of 11 directors elected annually. Eight members are elected by the association members, 2 members are elected by the Maine Medical Association, and one member is a representative of the Maine Hospital Association.

A RESERVE FUND
TO PAY CLAIMS
WHEN THE LIA-
BILITIES EXCEED
INCOME

Following the setting of premium rates which are based on estimated income and estimated maximum losses, the Association is required to create a Stabilization Reserve Fund. The Reserve Fund serves to supplement the

annual income of the Association and is used when annual liabilities exceed the annual income of the Association. The balance of the Reserve Fund is equal to one third of the total annual premiums collected. According to the Bureau of Insurance, in the event that the annual premiums and the reserve fund are insufficient to cover the association's liabilities and expenses, the insurance companies providing liability insurance to other types of policy holders (automobile, house, etc.) may assess or change the rates of these policy holders.

IF RESERVE FUND
IS SUFFICIENT
AFTER TYPES
OF POLICY
HOLDERS PAY
CLAIMS

The rationale for the Maine Medical and Hospital Malpractice Joint Underwriting Association Act is to protect third parties (Consumers) by providing insurance coverage to hospitals (possibly doctors in the near future) which is presently unavailable (at just and reasonable rates). If malpractice insurance is unavailable the public would be without medical services.

Marine insurance could be provided to fishermen in a similar manner as malpractice insurance coverage is extended to hospitals. In the case of fishermen, however, the purpose of the pool insurance would not be to protect third parties by providing insurance coverage to maintain a vital public service. The purpose would be to protect and promote the fishing industry.

3. Group Insurance with an Insurance Firm

MARINE INSURANCE
FIRMS DISLIKE
GROUP PLANS AND
PREFER INDIVIDUAL
POLICIES AND
RATES

Another approach is for fishermen in the State to group together to obtain insurance coverage from one firm. The theory behind this approach is to increase the bargaining position of fishermen and to obtain group rates which

are usually lower than individual rates. There are problems, however, associated with this type of group insurance. According to the Bureau of Insurance, no firm wishes to put all its eggs in one basket. If all fishermen of Maine were covered by one firm, the risk for the firm would be too great in the case of a statewide disaster (hurricane, etc.). Furthermore, insurance firms prefer individual rates and policies. Group rates usually are higher than rates for fishermen with sound vessels and good experience records and less than rates for fishermen with old vessels and less favorable records. As a result, insurance revenues can be affected by a group plan.

Recommendation:

The Joint Standing Committee on Marine Resources was unable to study the alternatives to present fishing vessel insurance to the degree that it is necessary to propose legislation. The alternatives may offer an opportunity to promote the fishing industry, but each alternative needs to be more carefully examined. The Joint Standing Committee on Marine Resources recommends that it be authorized by the Legislature to continue its study pertaining to alternative insurance system for fishing vessels.

TAXATION
BOAT TAXATION

BOAT TAX ASSESS-
MENTS VARY WIDELY
AMONG TOWNS. NO
UNIFORM GUIDE-
LINES TO VALUE
WATERCRAFT.
SOME VESSELS
ARE NOT TAXED

A review of the inequities in assessment and taxation of boats in Maine with tax experts and city assessors led the Committee to some conclusions concerning this personal property tax. The tax is not uniformly applied and there is a wide disparity between the towns in watercraft assess-

ment. The problems of watercraft assessment result from the absence of uniform guidelines to value watercraft. Also with 120,000 boats registered in Maine (registration is required only for boats with motors) it is impossible in most towns for assessors to view and value each boat. The division of watercraft does notify each municipality of the name of resident and non-resident boat owners so that assessors will have knowledge of boats which should be taxed. There is presently no assurance that all boats are being taxed. Since only boats with motors are registered, watercraft of equal value, not motorized is untaxed. Total revenue - to municipalities from watercraft taxation is about \$1 million. The revenue collected as a percentage of each town's total collections for municipal purposes is generally quite low, 1% or less. In some coastal communities however, the taxes collected on watercraft are an important share of local revenue.

BOAT TAXES AD-
VERSELY EFFECT
BOAT YARD BUSINESS
AND MAINE TOWNS

Testimony was given to the Committee that taxation of watercraft is detrimental to the boat yard business and the boating industry in Maine because of absence of uniformity among the towns as well as putting them in a disadvantageous position in relation to other coastal New England states.

In addition to variations in assessments from town to town, mil rates vary compounding the inequity. The tax on a boat valued at \$1,000, assuming full valuations can vary from \$396 to \$8.60.

Little justification could be found for singling out this particular personal property for taxation.

In view of its findings the committee makes its recommendations as follows and states the possible effects of each:

1. Repeal T36 §602 et seq. Taxation of Boats.

Advantages :

- a. The boat repair and storage industry will have increased work because non-resident boat owners will leave their boats in Maine.
- b. Registrations of boats in Maine will increase because non-resident boat owners will no longer register boats elsewhere to avoid taxation.
- c. A difficult and time consuming assessment problem will be eliminated. Therefore, assessors will have more time to devote to assessment of real and other property in their community.
- d. An inequitable tax will be abolished.

Disadvantages :

- a. Loss of a class of property upon which towns may levy a tax, therefore the burden of taxation will shift to other classes of property.
- b. Loss of revenue to towns where it is an important source of funds.

2. Repeal the boat tax and on a declining scale make State payments from the general fund to municipalities which raised revenue from the boat tax in an amount greater than 5% of total municipal revenues. Or, the State could provide increased State revenue sharing payments to these municipalities equal to the \$1,000,000 presently collected.

This latter method of payment will not reflect the losses particular municipalities will experience since this share is paid dependent on the local property tax effort and population.

3. Repeal the boat tax law and replace it with an excise tax on motorized boats. The excise tax will be administered by the towns and the revenues remain with the town. The excise tax would be in accordance with a formula based on the length, width, depth and power of the boat and whether the motor is inboard or outboard. This formula would be applied to the 80-85% of boats under 65 feet. Boats over 65 feet will not be taxed under this formula but be taxed as business equipment or in some other manner.

4. Repeal the boat tax and replace with a law that would provide an annual State uniform registration fee on boats with motors similar to the present snowmobile registration procedure. After a state deduction for administration services, the revenue would be allocated to the towns according to the total number of registered boats owned by residents of the towns and the number located there but owned by non-residents. The registration fee could reflect the value, power, or size of the watercraft and would be similar to the excise tax on motor vehicles or could be a flat fee similar to that charged for snowmobiles.

Advantages

1. A fee of this type would be uniform or easily determined according to a formula.
 - a. Combined with registration the fee schedule would be easily administered.
 - b. Some towns would experience an increase in revenue.

Disadvantages

- a. Some towns would have decreased revenue from this source.
- b. Non-motorized boats will still be exempt.
- c. Commercial boats which are business equipment will receive a "tax break" as compared to other businesses whose equipment and machinery is taxed.

SALES TAXATION

The Committee supports legislation to be submitted as part of the report of the Joint Select Committee on Tax Policy which would provide an exemption from the State sales tax for fishing vessels, gear and machinery purchased by holders of commercial fishing licenses. An alternative means to provide incentives for fishermen to modernize and increase the safety of fishing vessels would be rebates to licensees for sales tax expenditures.

Feasibility of Using Systems Analysis Approach
in Developing Maine Fisheries

MAINE FISHING
INDUSTRY IS
COMPOSED OF
MANY DIFFERENT
OPERATIONS
WHICH ARE
ALL INTER-
DEPENDENT.

The Maine fishing industry is made up of a number of inter-dependent but distinctive functional operations or processes. The major functional operations of the industry can be identified as harvesting, processing and marketing. Each of the major operations can be further delineated and labeled to provide a complete picture of the organizational structure of the industry. The degree of success or failure of the industry depends on the viability of each component making up the entire system. Like a chain, the whole system is no stronger than its weakest link. And in the Maine fishing industry there exists more than one weak link. These weaknesses must be identified and strengthened to provide a sound foundation on which to build a successful industry.

IN ORDER FOR THE
FISHING INDUSTRY
TO DEVELOP IT
MUST BE VIEWED
AS A SYSTEM.

It is quite apparent that the problems associated with the fishing industry, as it exists today, are quite complex and controversial. Expansion of the industry to realize the full potential of the resource management zone would be haphazard and ineffective without a "blueprint" or plan to follow. Ideally there should be a plan to correct the immediate deficiencies of the industry. This would provide the foundation for further expansion but, again, there is a requirement for balanced growth and development which should be charted in advance. This would require the use of the best possible

management tools available. The systems analysis approach suggested by Mr. Cyrus Hamlin is one such tool which can be designed to help solve these problems.

The systems approach is a tried and proven managerial tool. In the past 20 years or so, the systems approach has been increasingly applied to fishery problems and may be defined as the process of examining a complex system in a rational and orderly way, using logic and mathematics. It is particularly useful in a complex situation wherein interconnecting relationships exist - relationships which can be reduced to mathematical expressions and used as an aid in the decision making process. The fishing industry presents such a complex system of interrelated and interdependent functions which require growth and development in a logical manner.

Consider, for example, the information which will be necessary to manage the harvesting of the various species of fish in order to realize the maximum sustainable yield. The design of vessels and equipment and size of the various fleets; crews and training and education of individuals represent other variables; harbor facilities; types, capacities and locations of processing plants receive many detail decisions; marketing and distribution on a national and perhaps international level must be developed; financing the various segments of the potential industry is a complex problem; the role of federal, state and local governments as well as the private sector should be defined.

RECOMMENDATION

It is recommended that the Commissioner of the Department of Marine Resources be asked to consider the use of the systems analysis approach as a guide in development of Maine fisheries.

FISHERMEN'S ASSOCIATIONS

On several occasions Mr. Ivan Fly addressed the Committee with suggestions for improved organization of the many diverse segments of the fishing industry. Better cooperation and communication among these groups is essential for its growth and development. Mr. Fly proposes a Statewide Association of the many fishermen's groups which represent fishermen of particular marine species and specific interests. The Committee endorses this concept and Mr. Fly's continued efforts.

SUBMERGED LANDS

The Committee reviewed the leasing and granting of easements by the Bureau of Public Lands of submerged lands under its jurisdiction. Fees and terms of leases may need some adjustment. A more important consideration is the development of a State long range policy on the use of this valuable resource. When considering the merits of leasing a particular area, the Bureau of Public Lands does not have sufficient guidelines to follow

in determining which of the many possible alternate uses has been determined by the State to be the best use. Without a plan for the use of these lands each application must be reviewed on its own merits. Although the legislation defining the responsibility of the Bureau states that:

"...[The BPL] shall carry out the responsibilities of the State Government relating to public lands planning and management. Said planning and management shall proceed in a manner consistent with the principles of multiple land use and shall produce as sustained yield of products and services in accordance with both prudent and fair business practices and the principles of sound planning."

"Multiple use" shall mean the management of all of the various renewable surface resources of the [public lands, including outdoor recreation, timber, watershed, fish and wildlife and other public purposes; it means making the most judicious use of the land for some or all of these resources over areas large and diverse enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; it means that some land will be used for less than all of the resources; and it means harmonious and coordinated management of the various resources, each with the other, without impairment of the productivity of the land, with consideration being given to the relative values of the various resources, and not necessarily the combination of uses that will give the greatest dollar return or the greatest unit output."

The Committee needs to look at this issue more closely since the implications are broad. Any decisions made on the uses of these lands will directly affect the future of the fishing industry. There has been no legislative determination of what course the plan should

follow, what multiple uses should be considered and what products should be managed to produce a sustained yield, in short, which of competing uses should be given preference if choices must be made. The committee will study this problem further to suggest alternative solutions.

Recommendation:

The Committee recommends that the Committee on Marine Resources of the 108th Regular Session explore alternate means by which the legislature can establish policies for the uses of submerged and adjacent lands.

SUPPLY AND DEMAND

THE NEED FOR A MARKETING PROGRAM

Marketing is one of the most troublesome problems confronting the Maine fisheries industry. Without markets and a dependable fish supply for these markets, the Maine fisheries industry will be unable to realize any gain from the 200 mile limit.

The most significant marketing problem of the Maine fishing industry is the lack of a dependable year-round supply of local fish and the demand (nationally and locally) for only a very few high cost fish species which are in very short supply. The species of fish in greatest demand are haddock, halibut, flounder, and sole. The supply of these fish species is limited and irregular. On the other hand, pollock, hake, cusk, ocean perch, and cod which exist in a supply sufficient to meet present market demands have not been as popular with consumers. Research indicates that environmentally

LACK OF A DE-
PENDABLE YEAR
ROUND SUPPLY
OF HIGH COST
FISH SPECIES

influenced declines in these species have been accelerated by intensive fishing by foreign nationals to the point where their future supply cannot be assured.

MAINE FISHING
INDUSTRY DE-
VELOPED TO SERVE
OUT-OF-STATE
URBAN MARKETS.
NO INTERNAL
MARKET TO
FALL BACK ON

In the past, Maine's fishing industry was developed to provide large urban markets with low value fish species including herring, whiting, and ocean perch. As a national demand for haddock, halibut, and the high value fish species grew, and as foreign fishing vessels depleted U.S. waters of these and other fish species, Maine fishermen and fish processors were adversely affected. The Maine fishing industry was not designed to provide fresh fish directly to Maine consumers and therefore, the fishing industry could not "fall back" on this market as the national market declined. Out-of-State buyers eliminated Maine dealers as middlemen by offering fishermen slightly better prices than the Maine dealers. Unable to provide the quantity and species demanded on the national market, Maine fishermen were also unable to switch to a developed local market with a sufficient number of dealers to market the product.

NEED TO FIND
MARKETS FOR
ABUNDANCE OF
LOW COST FISH
SPECIES

In order to enable the Maine fishing industry to realize any gain from the 200 mile limit, it is necessary for Maine to find markets for the fish species that exist in abundance in its waters. The marketing strategy will require intensive promotion of low cost under utilized species inside and outside the State as well as a major consumer education program to correct many of the consumers' fundamental misconceptions about these under utilized species.

IN STORE SEAFOOD
DEMONSTRATIONS
WERE SUCCESSFUL
BUT CANCELLED
BY DMR

One marketing program, undertaken by the Department of Marine Resources consisted of demonstrations of Maine seafood in retail grocery stores and at fairs throughout the State. The purpose of the demonstrations was to educate the public about different species of fish. The program was very successful, in the opinion of Mr. Vinal Look, the Commissioner of the Department of Marine Resources, but it was cancelled in 1976 to be replaced by a different plan. The Legislature, during the 1975 regular session, enacted LD 1415 to increase commercial fishing license fees. The revenues, according to the legislative debate would be used for a number of purposes including additional wardens, a shellfish management specialist, an extension agent, a full time Assistant Attorney General for the Department, and funds for market development for marine resource products.

The increased fishing license fees provided an additional \$25,000 for marketing marine resource products during the 1975-77 biennium. As of November 2, 1976, the Department of Marine Resources (DMR) had expended only \$7,000 of the total marketing appropriation for the current fiscal year.

DMR WORKING ON
A PLAN TO
MARKET FISH
OUTSIDE MAINE

The Department has been preparing a plan for the development of new markets outside the State for Maine seafood products. The plan suggests, a professional market survey be conducted, the creation of distribution centers, each with a manager, salespeople, and staff in major marketing areas of the nation. Each center would promote and distribute Maine seafood in the area. The

plan would be financed in part by a self-imposed industry tax to raise \$4,000,000, and the industry would operate the centers. The plan proposed by the Department on August 2, 1976 will require legislative approval and the Committee recommends that it be submitted by the department for formal consideration.

Another successful marketing program operated jointly by the Department of Marine Resources and the University of Maine at Orono and University of New Hampshire Sea Grant Program has been the promotion of blue mussels. The D.M.R. program for 1976 was to be funded from federal Sea Grant funds totalling \$18,500. Most of the Sea Grant funds allocated to this project have been diverted to other projects.

The remaining money may be used by the department, however, for the blue mussel marketing program. In addition approximately \$3000 is available until June 6, 1977 for publication of informational brochures on mussels and their marketing.

Since the Department of Marine Resources has changed the direction of its seafood marketing programs, fish marketing has been left primarily to the fishing industry. Unfortunately the fishing industry lacks the necessary criteria and the capital for successful marketing of fin fish. At the present time no effective marketing program exists to make fresh Maine fin fish available to Maine consumers.

RECOMMENDATIONS

The Joint Standing Committee on Marine Resources recommends that a legislative resolution be adopted

directing the Department of Marine Resources to reinstitute the in-store seafood demonstrations.

MAINE SARDINE COUNCIL

The Committee reviewed the organization and function of the Maine Sardine Council. This industry supported program offers a valuable service to the Sardine processors and ultimately the consumer. A system of quality control encourages the processors to maintain consistent uniformity of products processed. The label assures the consumer of a uniform, good product in a food subject to rapid deterioration and varied quality.

The Sardine Council requested no assistance from the Committee. No change in this program is suggested and the system is thought to be one which could greatly benefit consumer acceptance of other fishery products processed in Maine.

COAST GUARD SEARCH AND RESCUE BASE

IN MAINE

To respond adequately and quickly to emergencies, to find and rescue seamen and to find and save lost or damaged ships in Maine waters there is a great need for the establishment of a Search and Rescue Base in Maine.

The Committee supports the Coast Guard's proposal to establish a permanent Search and Rescue Base in Maine by 1980. In addition, the Committee requests the Coast Guard to establish a base at the Brunswick Naval Air Station to serve the area during the interim.

EDUCATIONAL AND EXTENSION
PROGRAMS IN FISHERIES
AND MARINE RESOURCES

SECONDARY SCHOOLS

SECONDARY SCHOOL
VOCATIONAL EDU-
CATION

Vocational education programs in Secondary Schools in several coastal regions provide training for commercial fishing. These courses prepare students for careers as fishermen. The course is designed to provide skills in boat operation and marine engineering to improve boat safety and increase their efficiency and financial return. Approximately 125 students are enrolled in these courses which are developed and offered after interest and need is demonstrated. Since no additional funds are made available for these programs they compete with other courses for funding. As many as three additional programs with an enrollment of 48 are being considered.

POST SECONDARY EDUCATION

POST SECONDARY
EDUCATION BOAT
BUILDING AND
MARINE TECH-
NOLOGY

Post secondary vocational education in Marine Resources related subjects is available at two schools, the Washington County and Southern Maine Vocational Technical Institutes. Boat building and related maintenance courses for fifty students is located in Lubec.

In South Portland programs are offered in marine technology which includes deck engineering, navigation and seamanship to prepare students as first mates, 145 students are enrolled in these courses. An additional 45 students are in Applied Marine Biology. These programs are supported by State appropriations and tuition payments. These courses are also developed in response to demonstrated need and interest.

Additional programs and course offerings are being considered to expand these programs, particularly those for skills necessary for operation of draggers.

The Department of Marine Resources had for many years offered instructional materials and support for education in marine biology and oceanography for secondary and post secondary schools. At the present time the D.M.R. has one clerk typist assigned to staff this program funded by Sea Grant. Materials that the Department has, are made available upon request. The University system offers courses and degree programs in oceanography and related subjects. Many of the private schools in Maine have similar programs.

EXTENSION SERVICES

COOPERATIVE
EXTENSION
SERVICE
UNIVERSITY
OF MAINE

Presently, there are two Marine Specialists with the Cooperative Extension Service. One additional Specialist and a part-time information and education officer will be employed to expand this service. These positions are funded by Sea Grant. In addition, there are eight Cooperative Extension agents in coastal counties who provide information and educational services to fishermen.

EXTENSION DIVISION
DEPARTMENT OF
MARINE RESOURCES.

The Department of Marine Resources has an extension program in fisheries. The staff includes a director and four agents. The emphasis of this program is on gear development and particularly gear development to harvest underutilized species. The division has prepared a report which includes information on sources of financial assistance, who to contact, the kind of information necessary to prepare a property documented loan application.

The Department is actively working to add three additional extension agents. No additional funding for these positions will be necessary.

Recommendations:

1. The Committee strongly endorses vocational education in fisheries related subjects that are ongoing or being developed.

2. The Committee recommends that increased effective communication among these state agencies be developed to preclude duplication of effort and ensure maximum use of resources.

NATIONAL MARINE FISHERIES SERVICE
FEDERAL INSPECTION OF FISHERY PRODUCTS

The inspection program of the National Marine Fisheries Service is a voluntary program paid for by the processor of fishery products - fresh, frozen, canned and cured. The inspectors check the plants, procedures and products of the company. A certificate is issued stating the quality, quantity and condition of the product. An additional step is grading by which the level of quality is determined and a grade shield is permitted which is attached to the product or is shown on the label.

The inspectors monitor the quality of the raw material and examine samples of the finished product. Lot inspection is carried out at the storage facility. Inspection of fish meal plants is also available.

The agency first assists the processor to develop an operation which they can approve. After approval, continuous inspection is carried out. The expense of the program is paid for by the firm requesting the program. A kitchen type laboratory is required which would include merely a cooking unit, refrigerator-freezer, scale and table. The product must be packaged, labeled, dated and coded at the plant. Effective machines are available for this job.

The Fisheries Service will delegate the inspection to a state with whom they have an agreement and prefers this association. The responsible State Department is reimbursed by the Fisheries Service for personnel time and the expense (driving, etc.) of carrying out the inspections and training.

The administration is provided by the Fisheries Service. To enable the State to participate in the program for Maine firms legislation is necessary.

RECOMMENDATION:

That Legislation be submitted to permit the state to inspect fish processing and fish products in Maine. The legislation shall include authorization and criteria for inspection and quality control and authorization to permit the State to enter into an agreement with the Fisheries Service to provide the service to firms requesting it.

PORT DEVELOPMENT

The Maine Port Authority is authorized to issue revenue bonds for the development of port facilities. The bond interest and principle must be paid by the leasee from operating revenues. However, no federal funds are available for port development for the fishing industry from either the U.S. Department of Trans-

portation or the Federal Maritime Administration. There are funds available from the Economic Development Administration and the Small Business Administration if the proposal meets their criteria for financial assistance.

The Committee reviewed existing information concerning wharf and pier facilities used or usable by the fishing industry. Only minimal information is available. However, two reviews of facilities and alternatives are being undertaken.

The following State agencies are presently involved in a port development study: DMR, DOT, SPO, and Parks and Recreation. The study covers fishing, cargo handling, ferry service, OCS gas and oil development, and recreational activities.

Phase I of the study involves a physical inventory study concentrating on designated primary ports areas: Eastport, Stockton Springs-Searsport, Belfast, Rockland, Bath, Portland, South Portland, and Kittery. Secondary ports will be inventoried as time permits. Secondary fishing ports are: Jonesport, Southwest Harbor, Stonington, Port Clyde, Boothbay Harbor, and Cundy's Harbor. DOT is the coordinating agency. Phase I is scheduled for completion March 1, 1977.

Phase II involves the analytical process and the development of an implementable plan (including perceived needs, market analysis, demand projections, preliminary designs and analysis, funding sources, etc.). It is expected that Phase II will take about two years for completion.

There is growing concern among fishermen that the piers and wharves, on which they are dependent for landing their catch, are becoming increasingly unavailable or the fees charged

prohibitive. The Committee recommends that these issues be included in the departmental study.

RECOMMENDATION

As part of the process for developing their plan an advisory Committee shall be established to closely monitor and be advised of the progress of the study. Four members of the Joint Standing Committee on Marine Resources shall be included in the Advisory Committee which shall also include representatives of the fishing industry.

CONCLUSION

The Committee learned from its work that the potential for development of both the shipbuilding and fisheries industries is great. There are many factors which prevent Maine from realizing its potential now and in the future. Some of these impediments can be overcome by direct legislative intervention and assistance. However, the Committee feels that the greatest benefit to the industry will come from co-operative attitudes on the part of private and governmental agencies along with the industry toward working together to promote the industry and overcome obstacles. Ideas for development need support. The Committee is committed to continuing the work it has begun and is anxious to assist Maine fishermen to exploit the opportunities which extended Fisheries Jurisdiction present.

APPENDIX A

SENATE

RICHARD N. BERRY, CUMBERLAND, CHAIRMAN
 MERRILL H. CUMMING, PENOBSCOT
 BRUCE M. FLYNN, KENNEBEC

JOAN B. FREBB, COMMITTEE ASSISTANT
 HELLEN BINDER, LEGISLATIVE ASSISTANT



HOUSE

LAWRENCE P. GREENLAW, JR., STONINGTON, CHAIRMAN
 PATRICK T. JACKSON, JR., YARMOUTH, SECRETARY
 EDWARD A. MILLER, FAIRBURY
 DONALD J. WELCH, BELFAST
 WILLIAM E. BLODGETT, WALDOBORO
 JOHN J. EISEN, PORTLAND
 BURNETT D. POST, OWEN HEAD
 EDWARD H. MACKEL, WELLS
 DOUGLAS W. CURTIS, ROCKLAND
 MAYNARD D. CONNERS, FRANKLIN

STATE OF MAINE

ONE HUNDRED AND SEVENTH LEGISLATURE

COMMITTEE ON MARINE RESOURCES

October 26, 1976

The Joint Standing Committee on Marine Resources of the Maine Legislature, during the last several months, has studied the implication of the extended jurisdiction of the United States over marine resources within the 200 mile limit. The purpose of the study is to determine in what ways Maine can assist the fishing industry to develop and take advantage of an expected increase in the resource available to them.

The Committee has held several public hearings to give those affected by the new law an opportunity to express their views and to assist us. Although the Committee has not completed its study, the members agreed to make the following recommendations to Maine's Congressional delegation for your consideration and support:

ishing limited
 American ships

1. Legislation should be developed to provide that foreign factory ships, operating within the two hundred mile limit, must be supplied exclusively by American fishing vessels owned and operated by American fishermen. The immediate result of this proposal would be to provide an incentive for the development of a modern fishing fleet. Such development would encourage improved pier facilities. With a modern fishing fleet and improved pier facilities, the onshore development of processing and marketing capabilities would be greatly encouraged. And, presently existing onshore facilities could be supplied by American ships rather than purchasing fresh fish caught in our own waters from foreign fishing vessels. It is our understanding that Canada has such a law to protect its fishing industry.

Withdrawal
from ICNAP

2. So that management and utilization of the fisheries resource will not be hampered by concurrent, conflicting regulations and limitations the Marine Resources Committee strongly recommends the immediate withdrawal by the United States from I.C.N.A.F.. The reasons for withdrawal are well known. A few of the reasons are:
 - a. There is no need for the United States government to share its management responsibilities with 17 foreign nations. The government, in passing the Fishing Management Act of 1976, declared its jurisdiction over an area of ocean extending 200 miles seaward from its shores. If the overfishing and exploitation of the resource in this area is to stop, a first step must be to cease our membership in a group which has been totally ineffective in preventing the depletion of the resource.
 - b. Any quota system is inflexible and will act to discourage development, since if the quota is based on present United States Utilization of the resource expansion beyond the quota will be gravely inhibited.

tariffs

3. The Congress should direct the International Trade Commission to investigate tariffs affecting the industry. Conflicting policies protect one segment of the industry and at the same time burden another. A high tariff on imported nets protects the net industry but increases costs to fishermen. A high tariff on imported canned sardines protects the American canners. That coupled with no restrictions on imported fresh fish has kept some canneries open. But, the increased competition from Canadian fishermen for the available catch has probably contributed to the decline of that segment of the Maine fishing industry.

ship building
subsidy Proposal

4. The Jones Act prohibition on importing fishing vessels under 100 gross tons protects the American ship building industry and increases the cost of a boat to the fisherman. In order to encourage American fishermen to invest in boats and gear to harvest fisheries within the economic zone, we would like to see Congress enact a program which would subsidize the differential cost of a boat built in the United States as compared with the cost of the same boat built in a foreign country.

Fisheries
Loan Fund

5. At least three federal programs (S.B.A., E.D.A. and N.M.F.S.) provide loans for certain aspects of the industry. There is no coordination of the programs other than that provided by the individuals working in the respective offices. We think that Congress ought to consider the possibility of having only one federal agency involved with financial assistance to the fishing industry. May we also suggest that you consider expanding the role of Farmer's Home Administration as a vehicle for serving the financial needs of the industry inasmuch as they have an existing network of offices located in appropriate coastal communities. The Committee supports the legislation introduced by Senator Hathaway for a Fisheries Loan Fund.

The Committee looks forward to a continuing close association with each member of the Congressional delegation regarding the opportunities which Extended Fisheries Jurisdiction makes for Maine fishermen. We shall send you a copy of our report as soon as it is finalized.

Sincerely yours,

Richard N. Berry

Sen. Richard N. Berry, Chairman

Lawrence P. Greenlaw, Jr.

Rep. Lawrence P. Greenlaw, Jr., Chairman

APPENDIX B

STATE OF MAINE

In House _____

Whereas, the 200 mile fishing limit offers great opportunities for Maine, its fishermen and processors, and

Whereas, many problems inhibiting the growth and progress of the Maine fishing industry need to be resolved, and

Whereas, study and review is necessary to explore means to assist the development of the fishing industry, now, therefore, be it

Ordered, the Senate concurring that the Joint Standing Committee on Marine Resources undertake a study which will include but not be limited to the issues of: liability and hull insurance, port development, forms of business organization, regulation of submerged lands and the marketing and sale of fish, and be it further

Ordered, that the Joint Standing Committee on Marine Resources report its findings along with accompanying legislation to the next regular session of the 108th Legislature.

APPENDIX C

~~XXXXXXXXXX~~ Whereas, the fisheries industry is of great economic importance to Maine and her people; and

Whereas, the present condition of the fisheries industry may be benefited by modernization and growth; and

Whereas, this modernization and growth can be aided and encouraged through a sound legislative policy concerning the fishing industry; now, therefore, be it

ORDERED, ^{the Senate concurring,} that the Legislative Council be authorized, through the Joint Standing Committee on Marine Resources, to study and determine the present condition of the Maine fisheries industry and study the available means which may be used to encourage the conservation, growth and modernization of the fisheries industry; and be it further

ORDERED, that for purposes of this study, the Committee on Marine Resources may conduct public hearings throughout the State in order to solicit and consider testimony for its study, and may, in addition, solicit and receive information from individuals and agencies expert in the field, including but not limited to the Maine Department of Marine Resources; and be it further

ORDERED, that the council report the results of its findings, together with any proposed recommendations and necessary implementing legislation, to the next special regular session of the Legislature; and be it further

HOUSE OF REPRESENTATIVES
READ AND PASS
MAY 19 1975
SENT UP FOR CONSIDERATION
OF

ORDERED, upon passage, that suitable copies of this Order be transmitted forthwith to said agencies as notice of this directive

Name:

(Sprowl)

Town:

Hope

Arthur M. Sprowl

871604