

May 1977 NPFMC Meeting.

APPENDIX Item U.  
May 1977

Statement by: Robert D. Alverson, Manager  
Fishing Vessel Owner's Association out of Seattle

The Vessel Owners Association is opposed to the issuance of permits to foreign vessels that may be employed in an arrangement similar to the KMICD and the Davenny proposal we have heard of in the past for the following reasons:

1. It is our belief that this type of venture is an attempt to circumvent the 200-mile legislation by the Koreans, or any other nation, by seeking additional quantities of raw product through the exploitation of cheap labor with the avoidance of U.S. labor laws, taxes, safety standards, and FDA health and quality standards.

2. Delivery on the high seas may circumvent the investment of domestic processors and their development. How can a domestic processor obtain product when a foreign competitor can offer a high exvessel price because of their lower cost of production. Or, how can a U.S. processor obtain loans for expansion when they cannot compete for the product.

3. We feel that the law was not intended to build up the catching segment of the U.S. fishing industry at the expense of the processing segment or other U.S. labor segments of the country. Also, this type of an arrangement does not help a great deal the U.S. balance of payments. The difference in the balance of payments of a raw product versus a finished or semifinished product is substantiation. Also, we feel that this type of arrangement may result in the loss of employment or future employment of subsistence or supportive industries of the fishing industry such as canners, as well as carton makers, etc.

This type of venture may well make a new crop of wealthy people but we look five years down the road and in our opinion, we feel that this would be a result in a weakening of the overall U.S. domestic fishing industry. We don't feel that the domestic processor would be able to expand and that the U.S. fishermen would be at the foreign processors' mercy in terms of exvessel prices. If the Koreans need fish, we feel that there is no reason they cannot purchase their requirements after the U.S. vessels have landed their fish in U.S. ports with U.S. buyers, or U.S. cold storage operators. This would employ U.S. vessels as well as processors and supporting industries. We feel that this is the intent of the 200-mile legislation.

In closing, the foreign processors are now coming to us with their hat in hand. We feel that ventures similar to the Davenny proposal may well undermine future U.S. domestic expansion.

Statement by: Robert D. Alverson, Manager  
Fishing Vessel Owners' Association out of Seattle

The Vessel Owners' Association is opposed to the issuance of permits to foreign vessels that may be employed in an arrangement similar to the EMCO and the Davenny proposal. We have heard of in the past for the following reasons:

1. It is our belief that this type of venture is an attempt to circumvent the 200-mile legislation by the Koreans, or any other nation, by seeking additional quantities of raw product through the exploitation of some labor with the avoidance of U.S. labor laws, taxes, safety standards, and FDA health and quality standards.

2. Delivery of the high seas pay arrangement: the investment of domestic processors and their development. How can a domestic processor obtain product when a foreign competitor can offer a high vessel price because of their lower cost of production? How can a U.S. processor obtain loans for expansion when they cannot compete for the product.

3. We feel that the law was not intended to build up the catching segment of the U.S. fishing industry at the expense of the processing segment or other U.S. labor segments of the country. Also, this type of arrangement does not help a great deal the U.S. balance of payments. The difference in the balance of payments of a raw product versus a finished or semi-finished product is substantial. Also, we feel that this type of arrangement may result in the loss of employment or future employment of subsistence or supportive industries of the fishing industry such as cannery, as well as other makers, etc.

This type of venture may well make a few crop of wealthy people but we look five years down the road and in our opinion, we feel that this would be a result in a weakening of the overall U.S. domestic fishing industry. We don't feel that the domestic processor would be able to expand and that the U.S. fishermen would be at the foreign processor's mercy in terms of excess product. If the Koreans had fish, we feel that there is no reason they cannot purchase their requirements after the U.S. vessels have landed their fish in U.S. ports with U.S. buyers or U.S. cold storage operators. This would employ U.S. vessels as well as processors and supporting industries. We feel that this is the intent of the 200-mile legislation.

In closing, the foreign processors are now coming to us with their hat in hand. We feel that ventures similar to the Davenny proposal may well undermine future U.S. domestic expansion.