



Federal Trade Commission

SALMON PRICE FIXING IN PUGET SOUND AREA ORDERED STOPPED:

The Federal Trade Commission on October 22, 1956, ordered (Order and Docket No. 6376, Salmon) that fixing of salmon prices in the Puget Sound area be stopped. The order is directed to the area fishermen's union and vessel owners' association. The October 26 Federal Register published the cease and desist order.

The Commission, in an order accompanied by an opinion by Commissioner Robert T. Secrest, adopted as its own the initial decision of Hearing Examiner William L. Pack, which prohibits price-restricting agreements between these two groups.

Commissioner Lowell B. Mason dissented to the order "to the extent that it attempts to impose sanctions upon association members and union members who were not parties respondent."

The examiner had found that the two groups have made restrictive agreements which, along with minimum price-fixing contracts negotiated between the union and the area salmon canners, "substantially" restrain competition in the industry with a tendency to enhance the price of canned salmon.

Thirteen area canners, who had been named in the Commission's complaint charging the conspiracy, accepted a consent order in March 1956 prohibiting price-fixing activity.

The Puget Sound salmon area extends from the Canadian Border and Cape Flattery 150 miles south to Seattle and Tacoma. Salmon is one of the most important industries in that part of the United States, where in 1954 the wholesale value of the salmon pack was \$12 million. "Purse Seine" vessels, so named because the seines used resemble purses, account for approximately 75 percent of the salmon catch in the area.

The Union had argued that the boat owners actually are agents of the canners and that, therefore, the fishermen are employees of these canners. Any agreement between the Union and the canners, this respondent asserted, is an agreement for wages.

In making this defense, the Union had asked the examiner to require 10 of the canners to produce certain records, showing the negotiations between the canners and the boat owners, particularly with respect to post-season bonuses paid to skippers, for a period of six years. The examiner's refusal to do this was appealed to the Commission.

Denying the appeal, Commissioner Secrest stated:

"The record clearly shows that the skippers of Purse Seine Vessels are independent businessmen. . . . The contention that evidence showing a connection between post-season bonuses and the pounds of fish purchased would be of such weight as to prove, in the face of the record, that the fishermen are in fact employees of individual canners appears to be entirely void of any merit. The regular settlements between skipper and canner are directly related to the pounds of fish purchased, but this fact has not served to indicate the alleged relationship. Even if the bonuses are likewise related to the pounds of fish purchased, why should the result be any different?"

In addition to the fact that this evidence would have no material bearing on the issues, Commissioner Secrest continued, the request is unreasonable in scope. The only basis for requesting extensive documents, including highly confidential business matters, is "the mere speculation that the records may contain evidence to support its defense."

Elaborating on the relationship of the canners and boat-owners, Commissioner Secrest noted that the skippers of the vessels own their gear, and sometimes, their boats, hire their crews, and assume responsibility for withholding taxes and social security payments. They also fish when and where they want to. In addition, he continued, the fact that a canner may hold a mortgage on a vessel has no bearing on the question of control. "The relationship involved," he concluded, "is that of sellers and buyers of fish."

The two agreements which the Commission found are illegal are the "Salmon Agreement" between the union and the canners and the "Working Agreement" between the union and the vessel owners.

The Salmon Agreement, whether executed with the union by one or all of the canners, has the practical effect of fixing minimum prices paid by only one or all to the vessel owners.

Tied to this agreement is the Working Agreement, providing in part that no boat is allowed to leave for the fishing grounds or be moved from its home port until the price agreements have been signed. "Any vessel violating this section," the Working Agreement provides, "shall be declared unfair."

The order against the union and the vessel owners prohibits the following activities:

1. Entering into "Working Agreements" or "Salmon Agreements" or any others designed to fix the prices of raw or fresh salmon;
2. Interfering with the operation of any fishing vessel with the purpose of maintaining any price-fixing agreement.

The order does not prevent any member of the vessel owners' association "acting individually" from negotiating with canners concerning salmon prices. It also does not prevent: any collective bargaining between the union and employers concerning wages, hours, and working conditions of union members; or any association of fishermen from acting in accordance with the Fisheries Cooperative Marketing Act.

The Commission's complaint was filed on June 28, 1955.



Department of the Interior

U.S. FISH AND WILDLIFE SERVICE

REORGANIZATION BECOMES EFFECTIVE:

Secretary of the Interior Fred A. Seaton announced November 6, 1956, that reorganization of the Department's Fish and Wildlife Service, as provided by Public Law 1024 enacted in 1956, became effective as of the close of business on November 5, 1956.

In making the announcement, Secretary Seaton said that appointments have not been made to the two new top-level positions created by the reorganization--Assistant Secretary for Fish and Wildlife and Commissioner of Fish and Wildlife. Appointments to both positions are to be made by the President. They are subject to Senate confirmation.

Two separate bureaus are established under the reorganization as components of the new United States Fish and Wildlife Service, the Bureau of Sport Fisheries and Wildlife and the Bureau of Commercial Fisheries. Details with respect to internal organization and functions will be announced shortly.

Secretary Seaton designated John L. Farley as Acting Director, Bureau of Sport Fisheries and Wildlife, and Arnie J. Suomela as Acting Director, Bureau of Commercial Fisheries. Farley has been Director and Suomela has been

Associate Director of the old Fish and Wildlife Service.

The Bureau of Sport Fisheries and Wildlife will be responsible for matters relating primarily to migratory birds, game management, wildlife refuges, sport fisheries, sea mammals (except whales, seals, and sea lions), and related matters. The Bureau of Commercial Fisheries will be responsible for matters relating primarily to commercial fisheries, whales, seals, and sea lions, and related matters.

Until the new Assistant Secretary and Commissioner are appointed, the two Acting Directors will report directly to the Secretary of the Interior. All funds, records, personnel, and other properties, of the Fish and Wildlife Service have been transferred to the new United States Fish and Wildlife Service, and employees and officers were directed to continue to discharge their duties as before the transfer.

The present reorganization is the first major action of this nature to be undertaken since 1940, when the Bureau of Biological Survey and the Bureau of Fisheries were combined to form the Fish and Wildlife Service in the Department of the Interior. A year earlier the two bureaus had been transferred to Interior from the Departments of Agriculture and Commerce, respectively.

The new post of Assistant Secretary for Fish and Wildlife is the first such position to be created since May 24, 1950, when four Assistant Secretaries were authorized by the Congress to direct the Department's functions in Public Land Management, Water and Power Development, Mineral Resources, and Administration.

The old Fish and Wildlife Service has been under the supervision of the Assistant Secretary for Public Land Management.

The reorganization was described by Secretary Seaton as an important assurance to sportsmen that "the Federal Government is increasing its management efforts" to insure adequate fish and

and wildlife resources for recreational purposes. At the same time, he continued, it will help enable the commercial fishing industry attain its proper place in the national economy.

"The greater recognition of fish and wildlife conservation which will

result will benefit the entire Nation," the Secretary concluded.

The notice as it appeared in the November 6, 1956, Federal Register follows:

DEPARTMENT OF THE INTERIOR

UNITED STATES FISH AND WILDLIFE SERVICE

REORGANIZATION OF FISH AND WILDLIFE ACTIVITIES, GENERAL PROCEDURES, AND EFFECTIVE DATE OF ESTABLISHMENT

In accordance with the authority vested in the Secretary of the Interior pursuant to section 3, subsection (f) of the Fish and Wildlife Act of 1956 (70 Stat. 1119), the reorganization prescribed by such Act is hereby declared to be effective as of the close of business November 5, 1956.

The United States Fish and Wildlife Service, as prescribed by such Act, consists of a "Bureau of Commercial Fisheries" and a "Bureau of Sport Fisheries and Wildlife." The United States Fish and Wildlife Service succeeds to and replaces the Fish and Wildlife Service of the Department of the Interior.

The functions of the United States Fish and Wildlife Service will be administered under the supervision of the Commissioner of Fish and Wildlife, who will be subject to the supervision of the Assistant Secretary for Fish and Wildlife.

The Bureau of Commercial Fisheries, under a Director, will be responsible for matters relating primarily to commercial fisheries, whales, seals, and sea-lions, and related matters. The Bureau of Sport Fisheries and Wildlife, under a Director, will be responsible for matters relating primarily to migratory birds, game management, wildlife refuges, sport fisheries, sea mammals (except whales, seals and sea-lions), and related matters. Until the positions of Assistant Secretary for Fish and Wildlife and Commissioner of Fish and Wildlife are filled, the Directors will report directly to the Secretary.

All funds, positions, personnel, records, and other properties of, or assigned to, the Fish and Wildlife Service are transferred to the United States Fish and Wildlife Service, effective as of the time of its establishment, and the positions so transferred shall be positions in the United States Fish and Wildlife Service. Until further notice, each officer or employee is directed to continue to discharge the duties of, and is empowered

to continue to exercise the authority previously vested in, such person or in the transferred position which he may hold.

The authority now vested in the Director, Fish and Wildlife Service, expressly, or as the head of a bureau, is hereby and until further notice delegated severally to the Director, Bureau of Commercial Fisheries and the Director, Bureau of Sport Fisheries and Wildlife to the extent that such authority relates to any matter which is the responsibility of the bureau, including any administrative matter. Such authority may not be redelegated.

Section 3, subsection (e) of the Fish and Wildlife Act of 1956, provides: "Except as changed by the terms of this Act or by subsequent laws or regulations, all laws and regulations now in effect relating to matters heretofore administered by the Department of the Interior through the former Fish and Wildlife Service as heretofore existing, shall remain in effect."

FRED A. SEATON,
Secretary of the Interior.

NOVEMBER 3, 1956.

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ORGANIZATION DESCRIBED:

Organizational details of the new United States Fish and Wildlife Service, whose establishment under Public Law 1024 became effective on November 6, 1956, were announced on November 9 by the Secretary of the Interior.

As announced earlier, two new top-level positions were created by the reorganization to direct the activities of the new Service. Appointments to these new positions, Assistant Secretary for Fish and Wildlife and Commissioner of Fish and Wildlife, will be made by the President, subject to confirmation by the Senate.

Direct supervision will be exercised by the Commissioner over the operations of the two new bureaus, the Bureau of Sport Fisheries and Wildlife and the Bureau of Commercial Fisheries. Each bureau will have a Director, Associate

Director, and Assistant Director.

The Commissioner will be responsible also for functions of the Divisions of Administration, Information, and River Basins, each of which will perform services in connection with the work of both the bureaus.

Each of the bureaus will have its office of budget and finance, and each will maintain its regional organizations and research activities in their respective fields of responsibility.

With reference to the Bureau of Sport Fisheries and Wildlife, the organizational details approved by the Secretary state the bureau's objectives as follows:

"To insure the conservation of the Nation's wild birds, mammals, and sport fish, both for their recreational and economic values, with a view to preventing

their destruction or depletion and to encourage the maximum present use of the Nation's fish and wildlife resources that is compatible with their perpetuity. This objective is to be achieved by the acquisition and application of fundamental knowledge necessary for intelligent management of fish and wildlife resources so that hunters, anglers, and others may continue to enjoy and use these resources."

Principal components of this bureau are the Division of Sport Fisheries, Division of Technical Services, and Division of Wildlife. Responsibility is vested in this bureau for fish hatcheries, except those operated in connection with the Columbia River fisheries program which are assigned to the Division of River Basins and under the direct supervision of the Commissioner.

The Bureau of Sport Fisheries and Wildlife will be responsible for matters relating primarily to migratory birds, game management, wildlife refuges, sport fisheries, sea mammals (except whales, seals and sea lions), and related matters.

Objectives of the Bureau of Commercial Fisheries are stated as follows:

"To aid in maintaining the welfare of the commercial fisheries of the United States and its Territories by conducting research, investigations, and studies and by providing marketing, informational and other services for the commercial fishing industry and the general public. This objective is to be achieved in consonance with the policy to prevent the destruction and depletion of the Nation's fishery resources and to encourage their maximum utilization for the benefit of the country as a whole."

Principal components of this bureau are the Division of Fisheries Management, Division of Marketing and Technology, and Division of Research. In addition, it has an Office of Loans and Grants to administer the loan program designed to aid the commercial fishing industry.

The Bureau of Commercial Fisheries will be responsible for matters relating primarily to commercial fish-

eries, whales, seals, sea lions, and related matters.

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FISHERIES LOAN REGULATIONS CHANGED:

An amendment to refinancing provisions of the fisheries loan regulations under the Fish and Wildlife Act of 1956 was announced November 19, 1956, by the Secretary of the Interior Fred A. Seaton.

The amendment is designed to permit refinancing in the case of liens and existing preferred mortgages and secured loans in those instances in which "the Secretary deems such refinancing to be desirable" in carrying out the purposes of the Act.

The amendment applies to Section 160.4b (2 and 3) of the regulations carried in the Federal Register October 18, 1956, which set forth the rules concerning the \$10,000,000 revolving fund provided by Congress to bring about a general rehabilitation of fishing vessels and fishing gear, thereby contributing to more efficient and profitable fishing operations.

The initial regulations prohibited the use of loans for paying previously incurred debts. The new regulations provide for marshalling and liquidating of indebtedness of the applicant to existing lien holders at the discretion of the Secretary. They also contain general provisions permitting the use of wider discretion in dealing with refinancing problems.

The amendment as it appeared in the November 17, 1956 Federal Register follows:

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

Subchapter J—Fisheries Loan Fund

PART 160—LOAN PROCEDURES

QUALIFIED LOAN APPLICANTS

Subparagraphs (2) and (3) of paragraph (b) of § 160.4, are amended to read as follows:

(2) Refinancing existing preferred mortgages and secured loans except in those instances where the Secretary

deems such refinancing to be desirable in carrying out the purpose of the act.

(3) Paying creditors for debts previously incurred, except for marshalling and liquidating the indebtedness of the applicant to existing lien holders in those instances where the Secretary deems such action to be desirable in carrying out the purpose of the act.

This amendment shall become effective upon publication in the FEDERAL REGISTER.

(Sec. 4, 70 Stat. 1121)

FRED A. SEATON,
Secretary of the Interior.

NOVEMBER 13, 1956.



Department of the Treasury

BUREAU OF CUSTOMS

COMMENTS REQUESTED ON APPRAISAL OF IMPORTED ARTICLES UNDER CUSTOMS SIMPLIFICATION ACT OF 1956:

The Bureau of Customs, Treasury Department, is now preparing a preliminary list of those imported articles the dutiable value of which would be reduced by 5 percent or more under new appraisal procedures established by the Customs Simplification Act of 1956 (Public Law 927, 84th Congress, 70 Stat. 943). A number of fishery products will probably be involved.

This Act, among other things, provides for a change in the method of determining the value of imported goods which are subject to ad valorem duties. In general, the primary basis for determining their dutiable value is to be the "export value" of the article. With certain exceptions this is to replace the present method which provides for ascertaining the "foreign value" of the product--as well as the "export value" and for the duty to be calculated upon the higher of the two.

The new method of appraisal is not to apply to imports of articles on which the Treasury Department finds that the dutiable value would be reduced

by 5 percent or more of the average or more of the average value at which such articles were actually appraised during fiscal year 1954. Items determined to be reduced will be published in a preliminary list.

The Bureau of Customs announced in the Federal Register of November 9, 1956, that consideration will be given to any relevant views of interested parties as to why particular articles should appear on the list or as to why particular articles should not appear on the preliminary list even though closely related articles may properly appear on the list.

Upon the publication of the preliminary list, interested parties will then have 60 days in which to present reasons for belief that any imported articles not specified in such list would have been so appraised. The articles involved will be given consideration and if substantiated by investigation, shall be added to the list which shall be published as a final list. Articles on that list will not be appraised under the new valuation provisions. Any article not specified in the final list shall, 30 days after publication, be appraised in accordance with the new valuation provisions of Section 402a, Tariff Act of 1930, as amended by the Customs Simplification Act.

Under the new Act, the export value of imported merchandise shall be the price at the time of exportation to the United States, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings, and all other expenses incidental to placing merchandise in condition packed ready for shipment to the United States.

As presently used, the foreign value is the market value or the price at the time of exportation of such merchandise to the United States at which such or similar merchandise is freely offered for sale for home consumption to all purchasers in the principal markets in the country from which exported.

The value includes the cost of all usual containers and coverings, unless otherwise specifically provided for. In addition, the foreign value includes all other costs, charges, and expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States. Ocean freight, marine insurance, consular fee, and any other non-dutiable charges are not included.

The export value under current usage is the market value or the price, at the time of exportation, at which such or similar merchandise is freely offered for sale to all purchasers in the principal markets of the country of exportation for exportation to the United States, plus the costs incidental to placing the merchandise in condition ready for shipment to the United States. If an export value higher than the foreign market value is established by the Customs, the higher value is then regarded as the value of the imported merchandise.



White House

TARIFF COMMISSION'S RECOMMENDATIONS FOR INCREASED DUTIES ON GROUND FISH FILLETS REJECTED:

The President announced that he has decided against a tariff increase as recommended by the United States Tariff Commission in the groundfish fillets "escape clause" case, a December 10, 1956, news release from the White House states.

The President, in identical letters to the Chairmen of the Senate Finance and House Ways and Means Committees, said he "was not persuaded that, on balance, the proposed duty increase would constitute a sound step in resolving" the difficulties confronting the domestic groundfish fishing industry. "Because of that conviction," the President continued, "I have decided in view of all of the factors bearing on this case that I cannot accept the Tariff Commission's recommendations."

The text of the President's letters to the Chairmen of the Senate Finance

and House Ways and Means Committees is as follows:

"Dear Mr. Chairman:

"On October twelfth the United States Tariff Commission, pursuant to Section 7 of the Trade Agreements Extension Act of 1951, as amended, submitted to me a report of its findings and recommendations in the groundfish fillets "escape clause" case. The Commission found, as a result in part of the customs treatment reflecting the trade agreement concession applying to these products, that they are being imported into the United States in such increased quantities as to cause serious injury to the domestic industry. The Commission accordingly recommended that those imports of groundfish fillets presently dutiable at $1\frac{7}{8}$ ¢ per pound should be dutiable at 2.8125¢ per pound, and that those dutiable at $2\frac{1}{2}$ ¢ per pound should be dutiable at 3.75¢ per pound.

"It is the Tariff Commission's responsibility in these matters to investigate and report to the President any finding of serious injury or threat of serious injury within the meaning of the law. It is the President's responsibility, on the other hand, to consider not only the question of injury and measures recommended for its relief, but also all other pertinent factors bearing on the security and well-being of the nation.

"As an aspect of national policy dedicated to fostering the security and economic growth of the United States, this nation seeks to encourage in all feasible ways the continued expansion of beneficial trade among the free nations of the world. In view of this policy I am, as I have said before, reluctant to impose a barrier to our trade with friendly nations unless such action is essential and clearly promising of positive, productive results to the benefit of the domestic industry in question. My reluctance to impose such a barrier is heightened in this case because the other nations concerned are not only our close friends, but their economic strength is of strategic importance to us in the continuing struggle against the menace of world communism.

"I have analyzed this case with great care. I am fully aware that the domestic groundfish fishing industry is faced with serious problems, but I am not persuaded that, on balance, the proposed duty increase would constitute a sound step in resolving those difficulties. Because of that conviction, I have decided in view of all of the factors bearing on this case that I cannot accept the Tariff Commission's recommendations. It might well be, in fact, that the proposed duty increase would only further complicate the industry's basic problems.

"Over the years, the consumption of groundfish fillets has shown a persistent upward trend, consumption rising to a record level in 1955. This trend is expected to continue; the United States, by all indications is heading toward a further increased population and a greater expansion of its economy. If, as this growth takes place, there is a proportionate increase in requirements for fish and fish products in the United States, the domestic demand for these products will more than exceed the present combined total of domestically caught fish plus imports. This is an encouraging prospect which the domestic industry should prepare to exploit.

"At the same time, I recognize that beset as it is with problems ranging from the age of its vessels to competition with other food products, the fishing industry of the United States will experience difficulties in the years ahead, despite the bright prospects for increased consumption of fish and fish products, unless bold and vigorous steps are taken now to

provide root solutions for the industry's problems. To this end, the Administration last year proposed and I signed into law several bills designed to assist the industry in improving its competitive position. These laws include provisions for increased funds for research and market development programs, educational grants, and a \$10 million revolving loan fund for vessel and equipment improvement purposes.

"The Administration's examination into the industry's problems has continued beyond the enactment of these laws. These studies, in which we are benefitting from consultations with State and local officials and private groups, look toward the development of additional opportunities for promoting the well-being and sound management of all of our fish and wildlife resources, including our commercial fish-

eries resources. These further efforts should be of assistance to the domestic groundfish fishing industry in its search for solutions to the fundamental problems it faces. They should also help the industry to improve its position without the imposition of further trade restrictions which might actually discourage needed improvements.

"This approach is consistent with our objective of achieving a dynamic, expanding, free enterprise economy and also accords with our national policy of seeking the highest attainable levels of mutually profitable and beneficial trade and investment among the countries of the free world."

/s/ Dwight D. Eisenhower



CONVALESCING VETERANS HAVE "GET WELL" OPPORTUNITIES THROUGH FISHING

A program called "fishery management assistance to Veterans Administration hospitals" may be just "part of the job" for the biologists of the U. S. Fish and Wildlife Service but it is a light in the dark for many veterans, young and old, who are attempting to recover from the rigors of war.

For "fishery management assistance" made it possible for the Veterans Administration hospital at Downey, Ill., to develop a half-acre pond into a fishing spot which afforded the patients 3,000 fishing visits during a single season. In another case, assistance was rendered when the Temple, Tex., veterans facility was developing a 12-acre lake which will mean fishing recreation to hundreds of veterans who are convalescing. At the Northampton, Mass., veterans installation, it means a chance for patients to take catchable-size trout which the Fish and Wildlife Service plants there annually.

Hospital officials have repeatedly declared that they regard fishing as "extremely beneficial to patients" and in many instances Veterans Administration officials have asked for technical help in stream and pond development. In the period 1951-1955, the Fish and Wildlife Service responded to requests for help at 45 of these installations. In most instances, some improvement of opportunities for recreational fishing was possible.

The amount and kind of technical aid given depends upon conditions. The Fish and Wildlife Service supplies no funds for necessary development. Financing and getting the work done is the responsibility of the Veterans facility and is often accomplished with the help of interested local groups. But the Service does provide, in addition to technical guidance for fishery development, such hatchery fish as may be required for the management programs.

Not all the assistance to Veterans Administration hospitals is given on hospital property, for many times there are no fishing waters on the hospital grounds. When suitable water is found within a reasonable distance --and when the veterans are assured the right to fish and transportation facilities are available for them-- the Fish and Wildlife Service applies the necessary management practices to that water.

In many instances the state fish and game department and the Fish and Wildlife Service cooperate on projects; in others, where survey of the problems shows that the state agency can do the job more easily because of nearby facilities, the task is turned over to the state.