

parts from the frozen fish, frozen and canned seafood industry, that are not processed into edible use.

Fish meal and solubles are used in poultry and animal feeds, and fish oil in the industrial field, and in the manufacture of coatings, lubricants, linoleums, et cetera, and for edible use in European and Canadian markets.

In some years it has been our largest and most valuable fishery export item.

Within the past few years, there has been a three-fold increase in total world production of fish meal, increasing from 1.4 million metric tons in 1958 to 4.2 million metric tons in 1967, causing world exports to almost quadruple within this 10-year period.

During this time, the U.S. imports have risen from 100,000 tons in 1958 to 650,000 tons in 1967, when they accounted for approximately 75 percent of the total U.S. supply.

As there is no duty on these imports, and because of the large amounts, they have been setting the market price here in the United States. With the subsidies or similar advantages under which they are being produced in these foreign countries, these prices, particularly during the past year, were less than production costs for U.S. fish meal.

As an illustration, I will read one item I have in my statement. This was published in the Commercial Fisheries Review of the Bureau of Commercial Fisheries of March. The title of it is "U.S. Fish Meal Prices Strongly Affected by Peru's 'Sole' Devaluation," and the text is two short paragraphs.

The 32 percent devaluation of Peru's "sole" in September, 1967 affected U.S. fish meal prices much more than did Peru's fisheries promotion law of October 6, 1967. This was reported by BCF's Branch of Current Economic Analysis.

The promotion law reduced or eliminated export taxes by about \$7 per ton of fish meal. The devaluation reduced the cost of fish meal by about \$41 per ton. Together, these give Peruvian producers about a \$48 advantage—in production costs per ton.

Mr. Chairman, that is on a product that was selling here in the United States at the time at about \$120 a ton, our market having declined from about \$145 to \$150 8 or 9 months previous to that down to \$120.

Imports during the first quarter of 1968 have been almost 200,000 tons, and at this rate will equal 800,000 tons or more for this year. Most of this, incidentally, will come from Peru, where they have this advantage.

Faced with this situation, the U.S. fish meal industry is rapidly being put out of business. Its vessels and plants are designed for this particular type of business, and would not be easily converted to other use.

Also, the 6,000 or more fishermen and employees who have historically and largely been composed of Negroes, would not have other work that they could turn to in the fishing communities in which they live.

At this time, when so much is being said in high Government places about providing jobs for the unemployed, it seems to me that we should give a lot of weight to maintaining this segment of our domestic fishing industry and the job opportunities it provides.