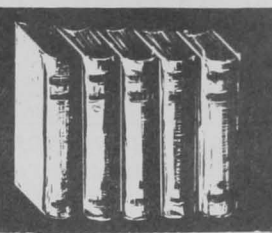




FEDERAL ACTIONS



Foreign Operations

Administration

GREECE AUTHORIZED TO BUY CANNED

FISH: Greece has been authorized by the Foreign Operations Administration to spend \$100,000 for the purchase of canned sardines, herring, pilchard, mackerel, and/or squid. The contract period covering this purchase is from May 25 to September 30, 1954. The terminal delivery date is November 30, 1954. Greece is authorized to make these purchases in the United States and possessions.

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FORMOSA AUTHORIZED TO BUY FISH-

ERIES EQUIPMENT: Formosa (China) has been authorized by the Foreign Operations Administration to spend \$145,000 for the purchase of the following equipment for use in fisheries: electrical apparatus, \$4,000; engines and turbines, \$138,000; scientific and professional instruments, apparatus, and supplies, \$3,000. The contract period covering this purchase is from May 18 to November 30, 1954. The terminal delivery date is November 30, 1955. Formosa is authorized to make these purchases in the United States and possessions, European participating countries, and Japan.



Department of State

U. S. -PHILIPPINE TRADE ACT MODI-

FICATION PROPOSED: An 18-months' extension of the period of free entry of Philippine articles into the United States from July 4, 1954, to January 1, 1956, was requested by the U. S. Department of State in a communication to the Congress on May 13. Legislation proposed for implementing this request would enable the President of the United States to bring

this extension into effect by proclamation to cover that period between the aforementioned dates for which like treatment is accorded United States articles entering the Philippines.

The draft bill which was forwarded to the Congress was prepared in response to a specific request from the Philippine Government and as a result of an agreement that both governments should seek an 18-months' extension of the present free-trade period, during which time the basic modifications which the Philippine Government seeks in the 1946 Agreement on Trade and Related Matters could be considered.



Treasury Department

BUREAU OF THE CUSTOMS

DUTY FOR FISH STICKS AND FISH

BLOCKS: The Bureau of Customs on June 16 released its decision on fish sticks and blocks. The decision provides in substance for the following dutiable status:

1. Fish blocks, consisting of cod, haddock, hake, pollock, cusk, and ocean perch (rosefish) which have been skinned, boned, and filleted and frozen into blocks will be dutiable under Tariff Paragraph 717 (b) at 1-7/8 cents per pound for that quantity received under the quota, and 2½ cents per pound for that quantity which is imported over the quota.

2. Breaded fish sticks, cooked or uncooked, not containing added oil will be dutiable under Paragraph 720 (b) at 1 cent per pound net weight if in bulk or in immediate containers weighing with their contents over 15 pounds each; and at 12½ percent ad valorem if in immediate con-

tainers weighing with their contents not more than 15 pounds each.

3. Breaded fish sticks, cooked or uncooked, containing added oil resulting from the presence of oil in the material in which they were breaded or from the oil in which they were cooked will be dutiable under Tariff Paragraph 718 (a) at 30 percent ad valorem when valued over 9 cents per pound including the weight of the immediate container.

For the commodities mentioned this decision makes no change in rates of duties which were being applied prior to this time.

The Custom's decision was contained in a letter of June 11, 1954, from the Commissioner of Customs to the Collector of Customs at Boston, Mass., as follows:

Reference is made to your letter . . . relative to the classification of breaded and cooked fish sticks, covered by entry No. 10453, dated January 12, 1954, and various other forms of fish products generally known as "fish blocks" and "fish sticks," which have been the subject of numerous inquiries and representations to the Bureau.

The printed matter on the package containing the fish sticks covered by the above entry states that the sticks consist of cod fish, bread crumbs, corn and wheat flour, salt, leavening, dried egg yolk, non-fat dry milk solids, and spices, which have been fried in vegetable oil. These sticks have been found to contain 8.2 percent oil by net weight of which 7.3 percent represented added oil. However, no free or independent oil was found in the package, all of it being found in the fish sticks themselves.

It has also been indicated that fish sticks similar to the ones in question are packed after cooking and freezing in waxed boxes designed to hold ten sticks. This box after being closed is covered by a wrapper and placed in a corrugated paper carton holding twenty-four such boxes. This carton is then sealed by means of a glued paper which is pressed on to the carton by a heating element.

Fish products generally known as blocks and sticks may be placed in the four following general categories:

1. "Fish blocks" of fish, boned, skinned, filleted and frozen.
2. "Fish sticks" cut from "blocks" or formed by other means breaded but not cooked, frozen or unfrozen, not containing added oil.
3. "Fish sticks" same as 2 except cooked or pre-cooked and containing no added oil.
4. "Fish sticks" same as 2 except cooked or pre-cooked and containing added oil.

On the basis of information before the Bureau, it appears that "fish blocks" referred to in item 1 consist of

fish which have been skinned, boned, filleted, and shaped to various forms by being frozen in molds either with or without pressure. Such forming facilitates handling and the later production of "fish sticks," which are cut from them. Outside of the natural effects of freezing and the shape thereby acquired, the fish are not changed. They still retain the characteristics of fish which have been skinned, boned, filleted and then frozen.

The language of paragraph 717 (b), Tariff Act of 1930, providing for "fish, fresh or frozen, boned, divided into portions, filleted, sliced or skinned," refers to a fish product which has been subject to a described processing. The forms of this product, by implication, include those resulting from the specified processes and freezing. On the basis of information presented, it is the opinion of the Bureau that fish in the form of "blocks" are still fish products contemplated by the provisions of paragraph 717 (b), and have not been advanced in condition to a degree removing them from such classification.

"Fish sticks" referred to in item 2, usually consist of portions cut from a "fish block." Breading material is added to these portions by one of several methods, some of which involve a dipping of the fish stick into a batter first. Such fish have not been found to contain any added oil either from processing or packing. After being so processed they are usually imported in a frozen condition. The question is whether fish to which other substances have been added are to be regarded as having been so advanced toward the condition in which they are eventually used that they are to be excluded from the provision for "fish, fresh or frozen, boned, divided into portions, filleted, sliced, or skinned," in paragraph 717 (b), Tariff Act of 1930, as modified, and should be classified instead under the provision for "fish, prepared or preserved," in paragraph 720 (b) of the tariff act.

The effect of adding other substances to fish provided for according to particular methods of preparation was considered in T.D. 40590 (12 C.C.A. 421). In that decision it was held that proper classification of herring, which in addition to being smoked, skinned, and boned, had tomato sauce added to them, was under a provision for "fish, otherwise prepared and preserved," rather than under a provision for "smoked herring, skinned and boned."

A similar point of view is expressed by the court in C.D. 1526 where the court indicates that an added substance is a factor to be considered in deciding classification under provision for "prepared or preserved" as against a provision for products subjected to a specific processing.

Following the reasoning of the courts, it is therefore the opinion of the Bureau that the addition of breading materials to the fish in question gives them new characteristics not contemplated by the provisions of paragraph 717 (b); and that they are advanced in condition and made more valuable for their intended use to a degree not contemplated by the provision of paragraph 717 (b). They are something more than fish, fresh or frozen, boned, divided into portions, filleted, sliced or skinned by virtue of the added breading materials. Proper classification is therefore under the provisions of paragraph 720 (b) as "fish, prepared or preserved," whether or not frozen.

"Fish sticks" referred to in item 3 which, in addition to being processed as described above, have also been cooked or pre-cooked under conditions in which no oil is added either in processing or packing, are, in the opinion of the Bureau for the reasons set forth above, properly classifiable under the provisions of paragraph 720 (b) as "fish, prepared or preserved."

The process of cooking is a further advancement in condition toward the form in which the fish are eventually to be used.

A product similar to the "fish sticks" described in item 4, page 1, and that covered by Boston entry No. 10453, dated January 12, 1954, was considered in a Bureau decision of July 12, 1940, circulated as C.I.E. 716/40. The merchandise, subject of Bureau decision July 12, 1940, consisted of barracuda and sea bass which had been formed into cakes, dipped into batter and fried. As imported, this product was found upon chemical analysis to contain an added oil.

At the time of the 1940 decision the question was raised as to whether a classification of fish "packed in oil or in oil and other substances" could be sustained where the oil was added in the preparation of the product itself as distinguished from oil which is added in the packing. The Bureau held, following T.D. 35175, that the product was classifiable under paragraph 718 (a), Tariff Act of 1930, at the rate of 30 percent ad valorem. This decision was based not upon the fact that oil was added during packing or that an added oil was found in the container, but upon the fact that an added oil was found in the fish product itself, and the product, like the instant fish sticks, was packed in a manner to retain such added oil.

On the basis of C.I.E. 716/40, the appraisers at New York and Boston have advised the Bureau and the trade that the fish sticks in question are classifiable as "fish packed in oil or in oil or other substances."

Court decisions have been carefully reviewed together with all representations which have been made upon the subject. It is the opinion of the Bureau that no reason has been presented which justifies a change in the practice of classifying commodities of this kind, and that therefore fish sticks such as those covered by Boston entry No. 10453 and those referred to under item 4, containing oil, which has been added, are dutiable under the provision of paragraph 718 (a), Tariff Act of 1930, as modified, for "fish prepared or preserved in any manner, if packed in oil, or in oil and other substances" at the rate of 30 percent ad valorem, if valued at over 9 cents per pound.

Very truly yours,

s/s Ralph Kelly

Commissioner of Customs



Tariff Commission

INVESTIGATION OF ITEMS WITH DUTIES EQUIVALENT TO 50 PERCENT OR MORE: The Tariff Commission announced on June 10, 1954, that (by directive of the Senate Finance Committee) an investigation has been instituted and public hearings ordered under Section 332 of the Tariff Act of 1930, respecting articles on which the ad-valorem equivalent of the present rate of duty is 50 percent or higher. The list of articles to be considered in the investigation, totaling some 400 separate articles in all, includes

only one fish item, three of shell buttons and blanks, and two items of fishing equipment, as listed below:

Tariff Paragraph 717 (a)

"Schedule A" no. 0056.980: Rosefish, fresh or frozen, whole or beheaded, or eviscerated or both.

Imports during 1953 totaled 24,715 pounds, valued at \$494. The import duty is 1 cent per pound, the same as specified originally in the Tariff Act of 1930. The ad-valorem equivalent based on imports in 1953 was about 50 percent.

Tariff Paragraph 1509

"Schedule A" no. 9724.000: Freshwater pearl or shell buttons;

"Schedule A" no. 9724.100: Ocean pearl or shell buttons;

"Schedule A" no. 9724.200: Pearl or shell button blanks, not turned, faced or drilled.

Tariff Paragraph 1535

"Schedule A" no. 9420.200: Fishing leaders and casts;

"Schedule A" no. 9420.300: Fishing rods, not specially provided for.

Interested parties were to be given an opportunity to present their views with respect to the tariff status of items listed by the Tariff Commission either by submission of written statements or by oral testimony at public hearings.



Eighty-Third Congress (Second Session)

JUNE 1954

Listed below are public bills and resolutions introduced and referred to committees or passed by the Eighty-Third Congress (Second Session) and signed by the President that directly or indirectly affect the fisheries and allied industries. Public bills and resolutions are shown in this section only when introduced and, if passed, when signed by the President; but also shown are the more pertinent re-

ports, hearings, or chamber actions on some of the bills shown in this sections from month to month.

ALLEVIATING UNEMPLOYMENT EFFECT RESULTING FROM TARIFF POLICY: S. 3619 (Cooper) - a bill (introduced on June 16) to assist in alleviating the effects of unemployment resulting from Federal tariff or trade policy by establishing a temporary program of supplementary grants for States which provide for liberalization of their unemployment compensation payments to persons unemployed because of Federal tariff or trade policy; to the Committee on Finance. The bill provides in part that if the Tariff Commission finds and the President certifies that unemployment in a given industry or segment thereof results from Federal tariff or trade policy, the State shall be reimbursed, out of the proceeds of customs duties collected under the Tariff Act of 1930, as amended, during the fiscal year ending June 30, 1955, for that part of any Federal supplementary grant paid under this section which is paid by such State for the benefit of unemployed workers in such industry or segment thereof; and an amount equal to that portion of the proceeds of such customs duties which is required to make such reimbursement is authorized to be transferred to such State from the general fund of the Treasury.

CENSUS OF MANUFACTURES: H. R. 8487, to provide for censuses of manufactures, . . . and other businesses, relating to the year 1954, was one of several bills passed by the Senate on call of calendar on June 7.

CUSTOMS SIMPLIFICATION: H. R. 9476 (Byrnes of Wisconsin) - a bill to provide for the establishment of simplified customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, and for other purposes; to the Committee on Ways and Means; introduced June 8.

DISTRIBUTION OF FISHERY PRODUCTS: The House on June 17 passed without amendment and thereby cleared for the President, S. 2802, to encourage further the distribution of fishery products in the development of research programs and increased markets. The House Committee on Merchant Marine and Fisheries on June 8 had favorably reported the bill (H. Rept. 1770).

INTERIOR DEPARTMENT APPROPRIATIONS, 1955: The Senate Committee on Appropriations on June 3 in executive session completed marking up H. R. 8380, Interior Department appropriations (including Fish and Wildlife Service) for fiscal year 1955, and ordered the bill favorably reported to the Senate with amendments S. Rept. 1506. As approved by the committee, the bill would provide an appropriation of \$4,127,000 for the investigation or resources by the Fish and Wildlife Service (includes Branch of Commercial Fisheries and Branch of Fishery Biology). The amount recommended is an increase of \$100,000 over the budget estimate and the House allowance. Of the amount recommended, not to exceed \$400,000 is for the continuation of the Great Lakes sea lamprey studies, the same amount provided in the current fiscal year. The report states "It is encouraging to note that the Senate has passed Senate bill No. 2802, which makes available a portion of the customs receipts on fishery products for research in this field. It is the hope of the committee that this legislation will become law in this session of Congress."

The Senate on June 7 passed, with committee amendments, H. R. 8680. Senate requested conference with House and appointed conferees.

LABELING OF FOREIGN-PRODUCED TROUT: House Committee on Interstate and Foreign Commerce on June 11 reported S. 2033, relating to the labeling of foreign-produced trout sold in the United States (H. Rept. 1850).

PROTECTION OF U. S. FISHERMEN ON HIGH SEAS: H. R. 9386 (Condon) - a bill to protect United States fishermen in their lawful operations on the high seas, and for other purposes; introduced in the House on June 1, referred to the Committee on Merchant Marine and Fisheries.

PROTECTION OF U. S. VESSELS ON HIGH SEAS: S. 3594 (Saltonstall, Butler of Md., Green, Kennedy, Kuchel, Magnuson, Pastore, Payne, Purtell, Mrs. Smith, Ellender, and Long) - a bill to protect the rights of vessels of the United States on the high seas and in territorial waters of foreign countries, introduced in the Senate on June 11; to the Committee on Interstate and Foreign Commerce. This bill provides that in any case where (a) a vessel of the United States is seized by a foreign country on the basis of rights or claims in territorial waters or the high seas which are not recognized by the United States, and (b) there is no dispute or material fact with respect to the location or activity of the vessel at the time of its seizure, the Secretary of State shall secure the release of the vessel and shall pay, on behalf of the United States, any fines or post any bonds that may be required by such country for such release. It would then be for the Secretary to decide whether it is appropriate to present any claim by the United States against the seizing country.

H. R. 9538 (Thompson of Texas), June 11; H. R. 9546 (Bentsen), June 14; H. R. 9584 (Tollefson), June 16; H. R. 9626 (Bates), June 21; similar to S. 3594, were introduced in the House and referred to the Committee on Merchant Marine and Fisheries.

SOCIAL SECURITY FOR FISHERMEN: The House passed on June 1 H. R. 9366, a bill to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the Old Age and Survivors Insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings without loss of benefits. In an explanation of the new coverage, Chairman Reed of the House Ways and Means Committee made the following statement regarding fisheries employees:

"Employees engaged in fishing and related activities: Present law excludes from old-age and survivors insurance coverage, service performed by employees in fishing and similar activities unless the employment is performed in connection with commercial salmon or halibut fishing or on a vessel of more than 10 net tons. H. R. 9366 would cover employed fishermen, clam diggers, and so forth, who are now excluded. It is expected that about 50,000 additional workers will be covered in the course of a year under this provision."

TARIFF RATES ADJUSTMENTS: H. R. 9367 (Bishop) - a bill to amend the Tariff Act of 1930 so as to provide a permanent procedure for adjustment of tariff rates on a selective basis, to regulate the flow of imported articles on a basis of fair competition with domestic articles, introduced in the House on May 28; to the Committee on Ways and Means. Also H. R. 9369 (Dorn of South Carolina), similar to H. R. 9159 introduced on May 17.

TRADE AGREEMENTS AUTHORITY EXTENSION: H. R. 9474 (Reed of New York), introduced in the House on June 8 - a bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended; to the Committee on Ways and Means. The Committee on June 10 voted unanimously to report the bill to extend

for 1 year the President's authority to enter into reciprocal trade agreements (H. Rept. 1777).

The Senate Committee on Finance on June 15 in executive session ordered the bill favorably reported to the Senate without amendment (S. Rept. 1605).

The House on June 11 passed H. R. 9474.

WILDLIFE RESTORATION: H. R. 9606 (Price) - a bill to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes, introduced in the House on June 17; to the Committee on Merchant Marine and Fisheries.



WORLD FISH PRODUCTION CAN BE DOUBLED

One major source of food which is available now, for the taking, is fish. Three-fourths of the earth's surface is covered by water, yet the vast resources of the sea have scarcely been tapped. The following questions and answers are based on an article in the FAO Fisheries Bulletin for September-October 1953. The article is entitled "Improving the Fisheries Contribution to World Food Supplies."

Q. Can the seas, lakes, and rivers of the world add greatly to the world's food supply?

A. FAO estimates that world fish production can be doubled without harming the fisheries resources.

Q. How big is our present fish production?

A. It is hard to measure total annual production of fish, but FAO's best guess is about 26 million metric tons round fresh weight per year. Of this, about 80 percent comes from marine waters and 20 percent from inland waters.

Q. Which countries are the biggest fish producers?

A. Six countries--China, Japan, Norway, the United Kingdom, the United States, and the U. S. S. R. --produce more than 60 percent of total world fish production.

Q. Have these countries increased their catches in recent years?

A. Yes, they have more than doubled their catch in the forty years between 1910 and 1950.

Q. What was responsible for these increases?

A. Different factors were responsible--Norway's increased production reflects her more intensive exploitation of winter herring stocks. In the United States, the tuna, which was virtually unexploited forty years ago, has become one of the major commercial fish products and now supports a costly processing and distributive organization and some of the most heavily capitalized fishing in the world.

Q. Is any credit for these increases given to technical advances?

A. Indeed so--in Europe and North America, the development of steam and internal combustion engines and improvements in navigational aids reduced the problem of distance--in effect, brought distant fishing grounds closer to shore. Mechanical improvements brought trawling, gill netting, and seining to a peak of efficiency, and this meant that the manpower employed was more productive.

Q. How are fish used in various parts of the world?

A. Utilization differs from area to area, depending on the type of fish caught, the demand, and the technical ability to diversify or preserve fisheries products. In all regions, however, the greatest single usage of fish is in its fresh state--some 45 percent of the total world production is consumed fresh.

Q. And what are the other uses?

A. Curing, which includes drying, salting, smoking, and marinating, absorbs about one-third of world supplies. Canning began during the 1880s and is now of major importance in North America, of lesser importance in Europe, Asia, and the U. S. S. R. Freezing, the most modern process used, began on a commercial scale in the late 1920s, and is now a major and growing section of the North American fishery industry. And finally, the reduction of fish into oil and meal takes more than 10 percent of total world fish supplies.

Q. Does much of the world's fish catch enter world trade?

A. Because fish are highly perishable, the bulk of world fish supplies has been and still is consumed in the country which produces it. But developments in preserving and transporting fish have widened the distribution, and now about 20 percent of the world's catch enters world trade. Some of the important producing countries have small populations, so the domestic demand is necessarily small and they must depend on export markets.